

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2024

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTIONS MATERIALS P.S.C

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statement of profit or loss and comprehensive income for the three-months and six-months period then ended, interim condensed consolidated statement of changes in equity and cash flows for the six-months period then ended and material accounting policy information and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023, were audited by another auditor who expressed an unqualified opinion on these consolidated financial statements in their report dated 3 February 2024.

The interim condensed consolidated financial statements of the Group as at and for the three-months and six-months period ended 30 June 2023 were reviewed by another auditor who issued an unmodified review conclusion on those interim condensed consolidated financial statements in their report dated 28 July 2023.

For Ernst & Young



Sanjay Khiara
Registration No.: 5513

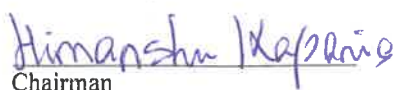
8 August 2024

Sharjah, United Arab Emirates

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024 (unaudited)

	Notes	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	430,638,824	440,226,087
Right-of-use asset	5	2,105,667	-
Investments at fair value through other comprehensive income (FVTOCI)	6	53,749,806	59,687,909
Total non-current assets		486,494,297	499,913,996
Current assets			
Inventories	7	99,297,894	79,864,006
Trade and other receivables	8	56,545,044	51,762,599
Bank balances and cash	9	265,484,491	251,308,981
Total current assets		421,327,429	382,935,586
TOTAL ASSETS		907,821,726	882,849,582
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,157,000	500,157,000
Statutory reserve	11	120,156,867	120,156,867
Cumulative changes in fair value (FVTOCI)		(46,320,349)	(40,320,801)
Retained earnings		235,722,898	216,242,607
Total equity		809,716,416	796,235,673
Liabilities			
Non-current liabilities			
Employees' end of service benefits		10,488,300	10,171,837
Lease liability	5	1,687,270	-
Deferred tax liability	21	61,445	-
Total non-current liabilities		12,237,015	10,171,837
Current liabilities			
Trade and other payables	12	83,824,499	76,442,072
Lease liability	5	214,020	-
Corporate tax liability	21	1,829,776	-
Total current liabilities		85,868,295	76,442,072
Total liabilities		98,105,310	86,613,909
TOTAL EQUITY AND LIABILITIES		907,821,726	882,849,582

The interim condensed consolidated financial information was approved by the Audit Committee on 8 August 2024 and signed on its behalf by.


Chairman


Chief Executive Officer

The accompanying notes from 1 to 21 are an integral part of this interim condensed consolidated financial statements.

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-months period ended 30 June 2024 (unaudited)

	<i>Notes</i>	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
		30 June 2024 AED	30 June 2023 AED	30 June 2024 AED	30 June 2023 AED
Revenue from contract with customers	13	62,064,678	62,541,260	125,104,277	129,201,558
Cost of sales		(50,918,069)	(56,020,706)	(96,947,603)	(116,841,266)
GROSS PROFIT		11,146,609	6,520,554	28,156,674	12,360,292
Selling, general and administrative expenses		(7,919,857)	(5,506,710)	(14,254,691)	(10,956,086)
Investment income – net	14	3,735,826	3,826,848	7,381,559	3,960,396
Foreign exchange loss		(6,778)	(250,699)	(18,858)	(266,207)
Finance cost	5	(38,782)	-	(38,782)	-
Other income		74,854	23,245	84,165	134,942
PROFIT BEFORE TAX		6,991,872	4,613,238	21,310,067	5,233,337
Corporate tax expense	21	(636,142)	-	(1,829,776)	-
PROFIT FOR THE PERIOD		6,355,730	4,613,238	19,480,291	5,233,337
Earnings per share (EPS):					
Basic and diluted earnings per share	15	0.01	0.009	0.04	0.01

The accompanying notes from 1 to 21 are an integral part of this interim condensed consolidated financial statements.

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-months period ended 30 June 2024 (unaudited)

		<i>Three-months period ended</i>		<i>Six-months period ended</i>	
		<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>Notes</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Profit for the period		6,355,730	4,613,238	19,480,291	5,233,337
Other comprehensive loss:					
<i>Other comprehensive (loss)/ income that will not be reclassified to profit or loss in subsequent periods</i>					
Net changes in fair value of investments at fair value through other comprehensive income (FVTOCI)	6	(2,509,955)	12,164,824	(5,938,103)	(51,131)
Realized loss on disposal of investments at FVTOCI		-	(4,693,698)	-	(4,693,698)
Deferred tax charge on fair value changes	21	2,758	-	(61,445)	-
Total other comprehensive (loss)/ income for the period		(2,507,197)	7,471,126	(5,999,548)	(4,744,829)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,848,533	12,084,364	13,480,743	488,508

The accompanying notes from 1 to 21 are an integral part of this interim condensed consolidated financial statements.

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-months period ended 30 June 2024 (unaudited)

	<i>Shares capital AED</i>	<i>Statutory reserve AED</i>	<i>Cumulative changes in fair value (FVTOCI) AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 January 2024 (audited)	500,157,000	120,156,867	(40,320,801)	216,242,607	796,235,673
Profit for the period	-	-	-	19,480,291	19,480,291
Other comprehensive loss for the period	-	-	(5,999,548)	-	(5,999,548)
Total comprehensive (loss)/ income for the period	-	-	(5,999,548)	19,480,291	13,480,743
Balance at 30 June 2024 (unaudited)	500,157,000	120,156,867	(46,320,349)	235,722,898	809,716,416
Balance at 1 January 2023 (audited)	500,157,000	118,102,515	(38,916,271)	202,812,080	782,155,324
Profit for the period	-	-	-	5,233,337	5,233,337
Other comprehensive loss for the period	-	-	(4,744,829)	-	(4,744,829)
Total comprehensive (loss)/ income for the period	-	-	(4,744,829)	5,233,337	488,508
Transfer to retained earnings upon disposal of investments recorded at FVTOCI	-	-	4,693,698	(4,693,698)	-
Balance at 30 June 2023 (unaudited)	500,157,000	118,102,515	(38,967,402)	203,351,719	782,643,832

The accompanying notes from 1 to 21 are an integral part of this interim condensed consolidated financial statements.

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-months period ended 30 June 2024 (unaudited)

		<i>Six-months period ended 30 June</i>	
		<i>2024</i>	<i>2023</i>
		<i>AED</i>	<i>AED</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		21,310,067	5,233,337
Adjustments to reconcile profit to cash flows:			
Depreciation of property, plant and equipment	4	17,040,566	16,350,537
Depreciation of right-of-use asset	5	110,441	-
Provision for employees' end of service benefits		485,334	403,216
Dividend income		(55,729)	(3,177,285)
Interest income		(7,325,827)	(3,285,927)
Interest expense on lease liability	5	38,782	-
Loss on sale of investments at FVTPL		-	4,237,274
Unrealised gain on investments at FVTPL		-	(1,734,458)
		31,603,634	18,026,694
Working capital adjustments			
Inventories		(19,433,888)	(23,415,303)
Trade and other receivables		1,297,717	(3,394,512)
Trade and other payables		8,046,857	19,225,058
Cash from operations		21,514,320	10,441,937
Employees' end of service benefits paid		(168,871)	(770,725)
Board of Director's remuneration paid		(420,000)	(360,000)
Net cash flows from operating activities		20,925,449	9,311,212
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(7,453,303)	(4,748,271)
Dividend received		55,729	3,177,285
Interest received		1,245,665	88,065
Movement in term deposits maturity more than 3 months		(20,202,423)	(67,134,375)
Disposal of investments at FVTOCI		-	39,747,774
Disposal of investments at FVTPL		-	18,242,761
Net cash flows used in investing activities		(26,354,332)	(10,626,761)
FINANCING ACTIVITIES			
Dividend paid		(244,430)	(6,311,957)
Payment of lease liability	5	(353,600)	-
Net cash flows used in financing activities		(598,030)	(6,311,957)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,026,913)	(7,627,506)
Cash and cash equivalents at the beginning of the period		13,067,097	22,254,440
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,040,184	14,626,934

The accompanying notes from 1 to 21 are an integral part of this interim condensed consolidated financial statements.

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

At 30 June 2024 (unaudited)

1 CORPORATE INFORMATION

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (a Public Joint Stock Company), Ras Al Khaimah (the "Company") having license number 8 is incorporated as a public joint stock company by Royal Decree Number 13/81 on 3 October 1981 issued by His Highness, The Ruler of Ras Al Khaimah.

The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, United Arab Emirates.

On 27 May 2024, UltraTech Cement Middle East Investments Limited (an existing shareholder or acquirer) proposed to acquire additional 31.6% of the Company's issued and paid-up capital. On 24 June 2024, UltraTech Cement Middle East Investments Limited has received approval from Securities & Commodities Authority (SCA) to amend the offer to reduce the acquisition to 25% of the issued and paid-up share capital of the Company. As of 30 June 2024, the existing shareholding of the acquirer of the Company's issued and paid up capital is 29.39%. In the annual general meeting held on 9 July 2024, the shareholders have approved the proposal of the existing shareholder to increase their shareholding to 54.39%.

The principal activities of the Company and its subsidiaries (the "Group") are cements and hydraulic cements manufacturing, lime products, cement products and investing, establishing and managing similar activities. The "Group" comprises of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries.

Details of Group's subsidiaries at 30 June 2024 and 31 December 2023 are as the following:

<i>Name of Subsidiaries</i>	<i>Proportion of Ownership interest</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Modern Block Factory Establishment	100%	Ras Al Khaimah U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products and Pasco and Kerbstone works.
Ras Al Khaimah Lime Co. Noora LLC	100%	Ras Al Khaimah U.A.E.	Manufacturing of lime products.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

In addition, results for the six months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the period ending 31 March 2025.

In the annual general meeting held on 9 March 2024, the shareholders approved the change in fiscal year of the Group which begins from 1 April upto 31 March and hence the group consolidated financial statements will be of 15 months period beginning from 1 January 2024 to 31 March 2025 and regularized to 12 months thereafter.

The interim condensed consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Group's functional currency, and all values are rounded to the nearest Dirhams except where otherwise indicated.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for investments carried at fair value through profit or loss and investments carried at fair value through other comprehensive income that have been measured at fair value.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation

These interim condensed consolidated financial statements comprise interim condensed financial statements of the Company and its subsidiaries for the six-months period ended 30 June 2024. The interim condensed financial statements of the subsidiaries is prepared for the same reporting period as that of the Company, using consistent accounting policies. All inter-company transactions, profits and balance are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7;
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2.4 Material accounting policy information

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the interim condensed consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.4 Material accounting policy information (continued)

Taxes (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the interim condensed consolidated financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions 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.

In preparing these interim condensed consolidated financial statements, 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 that applied to the audited annual consolidated financial statements for the year ended 31 December 2023.

4 PROPERTY, PLANT AND EQUIPMENT

- a. During the six-months period ended 30 June 2024, additions to property, plant and equipment amounted to AED 7,453,303 (30 June 2023: AED 4,748,271) and depreciation for the six months period ended 30 June 2024 amounted to AED 17,040,566 (30 June 2023: AED 16,350,537).
- b. Clinker and lime production facilities and office building are constructed on land owned by the Group. The land is situated in Ras Al Khaimah.
- c. Capital work in progress amounted to AED 3,457,486 (31 December 2023: AED 2,162,339) and relates to capital expenditure incurred for plant and machinery.
- d. All property, plant and equipment is located in the UAE.

5 RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as lessee

Set out below is the carrying amounts recognized for right-of-use asset and movement during the period:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Addition during the period	2,216,108	-
Depreciation of right-of-use asset	(110,441)	-
As at period/year end	2,105,667	-

Set out below is the carrying amount of lease liability and the movement during the period:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Addition during the period	2,216,108	-
Accretion of interest	38,782	-
Payment of lease liability	(353,600)	-
As at period/year end	1,901,290	-
Short term portion of lease liability	214,020	-
Long term portion of lease liability	1,687,270	-
As at period/year end	1,901,290	-

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT
At 30 June 2024 (unaudited)

6 INVESTMENT IN SECURITIES

a) Investments at fair value through other comprehensive income (FVTOCI)

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Equity shares, Quoted - UAE	50,104,926	56,864,595
Equity shares, Quoted - GCC countries	3,644,880	2,823,314
Total	53,749,806	59,687,909

Movement in investment securities were as follows:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Balance at beginning of the period/year	59,687,909	107,312,273
Disposal during the period/year	-	(46,219,834)
Change in fair value of investments carried at FVTOCI	(5,938,103)	(1,404,530)
Fair value of investments at the end of the period/year	53,749,806	59,687,909

The cumulative change in fair value of investments carried at FVTOCI amounted to negative AED 46,320,349 as at 30 June 2024 (31 December 2023: negative AED 40,320,801) and is shown under equity.

Equity instruments designated at fair value through OCI include investments in equity shares of listed companies. The Group holds non-controlling interests in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

b) Investments at fair value through profit and loss (FVTPL)

Movement in investment in securities were as follows:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Balance at beginning of the period/year	-	31,504,588
Purchase during the period/year	-	-
Disposal during the period/year	-	(36,417,827)
Change in fair value	-	4,913,239
Balance at end the period/year	-	-

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT
At 30 June 2024 (unaudited)

7 INVENTORIES

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Finished goods	5,640,962	4,359,424
Raw materials	10,309,461	7,673,854
Work in progress	32,266,334	32,743,611
Bags, fuel and lubricants	27,821,842	16,206,351
Spare parts	36,588,396	37,089,777
	112,626,995	98,073,017
Less: allowance for slow-moving inventory	(13,331,549)	(18,209,011)
	99,295,446	79,864,006
Goods in transit	2,448	-
	99,297,894	79,864,006

Movement for allowance for slow-moving inventories:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
As at 1 January	18,209,011	31,342,762
Reversal during the period/ year	(4,877,462)	(13,133,751)
As at 31 December	13,331,549	18,209,011

8 TRADE AND OTHER RECEIVABLES

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Trade receivables (note 13)	32,414,408	33,157,674
Amounts due from a related party (note 13, 17)	11,210,727	12,109,340
Less: allowances for expected credit losses	(3,616,295)	(3,616,295)
	40,008,840	41,650,719
Accrued interest receivable	9,541,334	3,461,171
Advance to suppliers	1,349,599	2,366,617
Prepaid expenses	3,136,130	1,297,179
Refundable deposits & other receivables	2,143,440	2,303,886
VAT Receivable	365,701	683,027
	56,545,044	51,762,599

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT
 At 30 June 2024 (unaudited)

8 TRADE AND OTHER RECEIVABLES (continued)

Movement details of impairment allowances for credit losses are as follows:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Balance at the end of the period/year	3,616,295	3,616,295

The Group measures the impairment allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for the factors that are specific to the customers bank guarantees, and letters of credit provided, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Analysis of gross trade receivables are set out below:

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Secured against unconditional bank guarantees	8,228,633	7,041,336
Secured against letter of credit	2,060,127	1,542,798
Open credit	22,125,648	24,573,540
Total	32,414,408	33,157,674

9 CASH AND CASH EQUIVALENTS

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Cash on hand	187,379	157,036
Cash at bank	3,216,656	3,602,738
Call deposits	636,149	2,805,340
Term deposits with maturity less of than three-months	3,000,000	6,501,983
Cash and cash equivalents	7,040,184	13,067,097
Term deposits with maturity of more than three-months	258,444,307	238,241,884
Bank balances and cash	265,484,491	251,308,981

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9 CASH AND CASH EQUIVALENTS (continued)

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
In UAE	262,764,411	248,433,498
Outside UAE	2,532,701	2,718,447
Bank balances	265,297,112	251,151,945

Call deposits carry interest at commercial rates per annum and are made for a period of less than three-months.

Fixed deposits carry interest in the range of 5.05% - 6% per annum (2023: average rate 5.7%) and is placed with commercial banks in the UAE.

Fixed deposit of AED 2,686,440 is held under lien with a commercial bank against bank guarantee given to one of the supplier.

10 SHARE CAPITAL

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Issued and fully paid:		
500,157,000 ordinary shares of AED 1 each	500,157,000	500,157,000

11 STATUTORY RESERVE

In accordance with the U.A.E Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the profit for each year is transferred to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

12 TRADE AND OTHER PAYABLES

	30 June 2024 AED (unaudited)	31 December 2023 AED (audited)
Trade payables	23,042,847	24,102,270
Dividend payable	32,305,336	32,549,766
Advance from customers	3,705,600	4,133,595
Accrued expenses and other payables	24,770,716	15,656,441
	83,824,499	76,442,072

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13 REVENUE FROM CONTRACTS WITH CUSTOMERS

13.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Type of revenue				
Sale of goods	62,064,678	62,541,260	125,104,277	129,201,558
Geographical markets				
Within UAE	25,718,468	20,101,040	52,517,306	42,690,798
Outside UAE	36,346,210	42,440,220	72,586,971	86,510,760
	62,064,678	62,541,260	125,104,277	129,201,558
Timing of revenue recognition				
Goods transferred at a point in time	62,064,678	62,541,260	125,104,277	129,201,558

13.2 Contract balances

	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Asset		
Trade accounts receivables (note 8)	32,414,408	33,157,674
Due from a related party (note 8)	11,210,727	12,109,340
Less: allowances for expected credit losses (note 8)	(3,616,295)	(3,616,295)
	40,008,840	41,650,719
Liability		
Advances from customers (note 12)	3,705,600	4,133,595

13.3 Performance obligations

The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 150 to 200 days (2023: 150 to 200 days) from delivery.

14 INVESTMENT INCOME – NET

	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Interest income on deposits	3,680,097	1,774,140	7,325,830	3,285,927
Unrealised gain on revaluation of investments carried at FVTPL	-	3,466,980	-	1,734,459
Loss on sale of investment carried at FVTPL	-	(4,237,274)	-	(4,237,274)
Dividend income	55,729	2,823,002	55,729	3,177,284
	3,735,826	3,826,848	7,381,559	3,960,396

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15 BASIC AND DILUTED EARNINGS PER SHARE

	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Net profit for the period	6,355,730	4,613,238	19,480,291	5,233,337
Weighted average number of shares outstanding	500,157,000	500,157,000	500,157,000	500,157,000
Basic and diluted earnings per share (AED)	0.01	0.009	0.04	0.01

The Group does not have any potentially dilutive shares at 30 June 2024 and 30 June 2023, hence the basis and dilutive earnings per share is the same.

16 DIVIDENDS

At the annual general meeting held on 9 March 2024 (2022: 11 April 2023), no dividend were approved by the shareholders for the year ended 31 December 2023.

17 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and mutually agreed with the related parties.

Transactions with a related party included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<i>Shareholder</i>				
Revenue from contract with customers	8,758,782	12,045,631	18,026,330	27,471,674

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Amounts due from a related party		
Ultratech Cement Limited, India	11,210,727	12,109,340

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17 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel:

	<i>Three months period ended 30 June (Unaudited)</i>		<i>Six months period ended 30 June (Unaudited)</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Short term benefits	1,035,704	960,548	2,009,372	1,851,210
Long term benefits	17,048	9,883	62,774	52,222
Board remuneration	105,000	-	210,000	401,666
	1,157,752	970,431	2,282,146	2,305,098

At the annual general meeting held on 9 March 2024, Board remuneration of AED 420,000 was approved for the year ended 31 December 2023 (2022: an amount of AED 360,000 was approved on 11 April 2023).

The amounts disclosed in the table above relating to salaries and other short-term benefits and board remuneration are the amounts recognised as an expense during the period related to key management personnel.

Outstanding balances at the period-end arise in the normal course of business, are unsecured, interest-free and settlement occurs generally in cash. There have been no guarantees provided or received for any related party payable or receivable. For the period ended 30 June 2024 and 30 June 2023, the Group has not recorded any provision for expected credit losses for amounts owed by the related party. This assessment is undertaken each reporting date through examining the financial position of the related parties and the market in which the related parties operates.

18 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 June 2024 AED (unaudited)</i>	<i>31 December 2023 AED (audited)</i>
Letter of guarantees	2,754,995	2,754,995
Capital commitments	372,440	5,182,841

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirements to materiality curtail the scale of its operations or to undertake a transactions on adverse terms. The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2023.

Fair value of financial instruments at amortised cost

Management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the interim condensed consolidated financial information approximate their fair values.

19 FAIR VALUE MEASUREMENT (continued)

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>	<i>Total AED</i>
30 June 2024 (unaudited)				
Quoted equity investments carried at FVTOCI	53,749,806	-	-	53,749,806
	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>	<i>Total AED</i>
31 December 2023 (audited)				
Quoted equity investments carried at FVTOCI	59,687,909	-	-	59,687,909

Valuation of FVTOCI investments is based on quoted bid prices in an active market.

There were no transfers between the levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

20 SEGEMENT INFORMATION

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 in marketable equity securities, deposit with bank (excluding current accounts).

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.

	<i>Six-months period ended 30 June 2024 (unaudited)</i>			<i>Six-months period ended 30 June 2023 (unaudited)</i>		
	<i>Manufacturing AED</i>	<i>Investments AED</i>	<i>Total AED</i>	<i>Manufacturing AED</i>	<i>Investments AED</i>	<i>Total AED</i>
Segment revenue	125,104,277	-	125,104,277	129,201,558	-	129,201,558
Segment result	12,098,732	7,381,559	19,480,291	1,272,941	3,960,396	5,233,337
Depreciation	17,151,007	-	17,151,007	16,350,537	-	16,350,537
Other comprehensive income net of tax	-	(5,999,548)	(5,999,548)	-	(4,744,829)	(4,744,829)
	<i>As on 30 June 2024 (unaudited)</i>			<i>As on 31 December 2023 (audited)</i>		
	<i>Manufacturing AED</i>	<i>Investments AED</i>	<i>Total AED</i>	<i>Manufacturing AED</i>	<i>Investments AED</i>	<i>Total AED</i>
Segment assets	591,991,464	315,830,262	907,821,726	575,612,466	307,237,116	882,849,582
Segment liabilities	98,105,310	-	98,105,310	86,613,909	-	86,613,909

21 CORPORATE TAX EXPENSE

UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the interim condensed consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, no temporary differences were identified where the deferred tax should have been accounted for.

Amount recognised in the interim condensed consolidated statement of comprehensive income

The major components of corporate tax expense for the six months period ended 30 June 2024:

	<i>Three-months period ended</i>		<i>Six-months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<u>Profit or loss</u>				
<i>Current corporate tax expense:</i>				
Current corporate tax charge	636,142	-	1,829,776	-
Total tax charge	636,142	-	1,829,776	-
<u>Other comprehensive income</u>				
Deferred tax charge	2,758	-	61,445	-