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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2024

Ernst & Young Middle East
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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 2024 and the related interim consolidated statements of profit or loss and interim consolidated statement of comprehensive income for the three-month and nine-month periods then ended and interim consolidated cash flows and interim consolidated changes in equity 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



Wardah Ebrahim
Registration No.: 1258

12 November 2024

Sharjah, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month and nine-month period ended 30 September 2024 (unaudited)

	Notes	*Three-month period ended 30 September (unaudited)*		*Nine-month period ended 30 September (unaudited)*	
		2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Revenue	4	**162,088**	157,086	**500,017**	458,354
Cost of sales		**(139,636)**	(149,735)	**(449,248)**	(449,425)
GROSS PROFIT		**22,452**	7,351	**50,769**	8,929
Administrative and general expenses		**(4,987)**	(4,513)	**(15,341)**	(14,433)
Selling and distribution expenses		**(2,869)**	(1,658)	**(5,980)**	(4,817)
Investment income	5	**4,909**	2,225	**15,243**	9,398
Reversal of impairment loss on investment properties	8	**-**	-	**-**	12,305
Finance expenses		**(7,130)**	(8,972)	**(23,322)**	(23,845)
Other income		**377**	(195)	**1,278**	845
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX		**12,752**	(5,762)	**22,647**	(11,618)
Income tax expense	18	**(880)**	-	**(1,140)**	-
PROFIT/(LOSS) FOR THE PERIOD		**11,872**	(5,762)	**21,507**	(11,618)
Profit/(loss) attributable to:					
Equity holders of the parent		**11,872**	(5,762)	**21,507**	(11,618)
Earnings per share					
Basic and diluted earnings per share	15	**0.020**	(0.009)	**0.035**	(0.019)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended 30 September 2024 (unaudited)

	Notes	*Three-month period ended 30 September (unaudited)*		*Nine-month period ended 30 September (unaudited)*	
		2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Profit/(loss) for the period		**11,872**	(5,762)	**21,507**	(11,618)
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss:					
Investments carried at FVTOCI - net change in fair value (net of tax)	7.1	**11,678**	14,796	**4,337**	16,602
Items that may be reclassified to profit or loss:					
Change in fair value of interest rate swap		-	96	-	479
Other comprehensive income for the period		**11,678**	14,892	**4,337**	17,081
Total comprehensive income for the period		**23,550**	9,130	**25,844**	5,463
Total comprehensive income attributable to:					
Equity holders of the parent		**23,550**	9,130	**25,844**	5,463

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024 (unaudited)

	Notes	*30 September 2024 AED'000 (unaudited)*	*31 December 2023 AED'000 (audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		**865,051**	876,229
Investment properties	8	**243,959**	249,322
Investments carried at FVTOCI	7	**162,617**	157,169
		1,271,627	1,282,720
Current assets			
Inventories	9	**274,504**	313,325
Trade and other receivables		**255,284**	240,502
Investments carried at FVTPL	7	**35,922**	31,762
Bank balances and cash	10	**31,013**	19,546
Asset held for sale	6	**47,293**	47,293
		644,016	652,428
TOTAL ASSETS		**1,915,643**	1,935,148
EQUITY AND LIABILITIES			
Share capital	12	**608,254**	608,254
Statutory reserve	13	**334,091**	334,091
General reserve	14	**226,373**	226,373
Fair value reserve	7	**30,377**	26,040
Retained earnings		**125,533**	104,026
		1,324,628	1,298,784
Non-current liabilities			
Long term borrowings	11	**101,332**	112,160
Provision for staff terminal benefits		**33,044**	31,722
Deferred tax liability	18	**62**	-
		134,438	143,882
Current liabilities			
Trade and other payables		**149,047**	136,203
Short term borrowings	11	**307,530**	356,279
		456,577	492,482
Total liabilities		**591,015**	636,364
TOTAL EQUITY AND LIABILITIES		**1,915,643**	1,935,148

These interim condensed consolidated financial statements were approved by the Board of Directors, and authorised for issue on 12 November 2024 and signed on their behalf by:

Chairman

Chief Executive

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024 (unaudited)

	Notes	*Nine-month period ended 30 September (unaudited)*	
		2024	*2023*
		AED'000	*AED'000*
OPERATING ACTIVITIES:			
Profit/(loss) for the period before tax from continuing operations		**22,647**	(11,618)
Adjustments for:			
Depreciation on property, plant and equipment		**53,253**	55,991
Depreciation on investment properties		**5,897**	5,889
Provision for staff terminal benefits		**3,175**	1,512
Provision for inventory	9	**900**	(560)
Allowance for expected credit loss		**1,350**	-
Reversal of impairment loss on investment properties		-	(12,305)
Gain on disposal of property, plant and equipment		**(55)**	(42)
Rental income from investment properties		**(9,817)**	(7,485)
Gain on change in fair value of investments carried at FVTPL	5	**(4,160)**	(2,803)
Realised loss on disposal of investments carried at FVTPL	5	-	(115)
Dividend income	5	**(6,700)**	(4,715)
Finance expense		**23,322**	23,845
		89,812	47,594
Working capital adjustments:			
Inventories	9	**37,921**	(65,245)
Trade and other receivables		**(16,132)**	23,363
Trade and other payables		**15,253**	(11,808)
		126,854	(6,096)
Staff terminal benefits paid		**(1,853)**	(777)
Net cash from/(used in) operating activities		**125,001**	(6,873)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(42,167)**	(32,333)
Additions to investment property		**(534)**	-
Proceeds from disposal of property, plant and equipment		**147**	194
Purchase of investments carried at FVTOCI	7.1	**(1,103)**	(2,976)
Proceeds from disposal of investments carried at FVTOCI	7.1	**171**	1,770
Dividend income received	5	**6,700**	4,715
Rental income from investment properties – net	17	**9,817**	7,485
Purchase of investment carried at FVTPL	7.2	-	(563)
Proceed from disposal of investments carried at FVTPL	7.2	-	1,151
Net cash used in investing activities		**(26,969)**	(20,557)
FINANCING ACTIVITIES			
Proceeds from long term and short term bank loans		**448,024**	515,490
Repayment of long term and short term bank loans		(**507,601**)	(457,248)
Interest paid		**(26,988)**	(22,160)
Net cash (used in) / from financing activities		**(86,565)**	36,082
NET INCREASE IN CASH AND CASH EQUIVALENTS		**11,467**	8,652
Cash and cash equivalents at the beginning of the period		**19,546**	13,094
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	**31,013**	21,746
Represented by:			
Cash in hand and at bank		**31,013**	21,746

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024 (unaudited)

	Share capital AED' 000	*Statutory reserve AED'000*	*General reserve AED'000*	*Fair value reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*
Balance at 1 January 2024 (audited)	608,254	334,091	226,373	26,040	104,026	1,298,784
Profit for the period	-	-	-	-	21,507	21,507
Other comprehensive income for the period	-	-	-	4,337	-	4,337
Total comprehensive income for the period	-	-	-	4,337	21,507	25,844
Balance at 30 September 2024 (unaudited)	**608,254**	**334,091**	**226,373**	**30,377**	**125,533**	**1,324,628**
Balance at 1 January 2023 (audited)	608,254	334,091	226,373	2,931	102,118	1,273,767
Loss for the period	-	-	-	-	(11,618)	(11,618)
Other comprehensive income for the period	-	-	-	17,081	-	17,081
Total comprehensive income for the period	-	-	-	17,081	(11,618)	5,463
Other equity movement						
Transfer of realised loss from fair value reserve to retained earnings on disposal of investments carried at FVTOCI (note 7.1)	-	-	-	1,770	(1,770)	-
Total other equity movement	-	-	-	1,770	(1,770)	-
Balance at 30 September 2023 (unaudited)	608,254	334,091	226,373	21,782	88,730	1,279,230

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

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 are 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 2024 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 2023 ('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 month ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

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

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

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

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

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

Further information about the significant assumptions made in measuring fair values are explained in Group's consolidated financial statements as at and for the year ended 31 December 2023.

2.1 BASIS OF CONSOLIDATION

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

Subsidiary	***Principal activity***	***Country of incorporation***	***Ownership***	
			2024	2023
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 Group and its subsidiary as at 30 September 2024. 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.

3 GROUP'S ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Groups annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024 and the accounting policy for taxes which has been adopted by the Group due to the implementation of UAE corporate income tax. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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 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.

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.

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.

3 GROUP'S ACCOUNTING POLICIES (continued)

Taxes (continued)

Deferred tax (continued)
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.

New standards, interpretations and amendments
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

4 REVENUE

Revenue from contract with customers consists of the following:

	Three-month period ended 30 September (unaudited)		***Nine-month period ended 30 September (unaudited)***	
	2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Type of revenue				
Sale of goods	**162,088**	157,086	**500,017**	458,354
Geographical markets				
Within UAE	**140,667**	133,083	**435,703**	376,749
Outside UAE	**21,421**	24,003	**64,314**	81,605
Total revenue from contracts with customers	**162,088**	157,086	**500,017**	458,354
Timing of revenue recognition				
Good transferred at point in time	**162,088**	157,086	**500,017**	458,354

Contract balances
A contract asset is Group's right to consideration in exchange for goods that has been transferred to the customers. The Group has trade receivable of AED 243,856 thousand (31 December 2023: AED 235,787 thousand) and short term advances received from customers to supply the goods are AED 2,009 thousand (31 December 2023: AED 1,756 thousand) as at September 2024.

Performance obligations
The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 150 to 210 days from delivery (2023: 150 to 210 days).

5 INVESTMENT INCOME

	Three-month period ended 30 September (unaudited)		***Nine-month period ended 30 September (unaudited)***	
	2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Gain on change of fair value of investments carried at FVTPL (refer note 7.2)	**3,340**	1,722	**4,160**	2,803
Realized gain on disposal of investments carried at FVTPL (refer note 7.2)	**-**	-	**-**	115
Operating income from investment properties	**1,222**	466	**3,920**	1,596
Dividend income	**356**	37	**6,700**	4,715
Others	**(9)**	-	**463**	169
	4,909	2,225	**15,243**	9,398

6 ASSET HELD FOR SALE

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Opening balance	**47,293**	47,293
Closing balance	**47,293**	47,293

(i) This represents 35.5% shareholding of Autoline Industrial Park Limited ("AIPL) in India which holds industrial plots of land in Maharashtra, India.

(ii) The Board of Directors of AIPL has approved the sale of AIPL and has signed a Memorandum of Understanding with a buyer. The Board of Directors of the Group also approved the sale of Group's shareholding in AIPL.

(iii) The Group has signed a memorandum of understanding to sell its shareholding in AIPL to this buyer and agreed a payment plan. As of 30 September 2024, the Group has received an amount of INR 263 million equivalent to AED 10.4 million. As per the MOU the share transfer will initiate once the Group has received 49% of the amount. The Group expects to receive the full sale consideration over the next nine months.

(iv) Management is of the view that the fair value less cost to sell is expected to be higher than the carrying value.

7 INVESTMENTS

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Investments carried at FVTOCI		
Investment in quoted equity securities	**133,522**	126,733
Investment in unquoted securities	**29,095**	30,436
(i) - refer note 7.1	**162,617**	157,169
Investments carried at FVTPL		
Investment in quoted equity securities	**35,922**	31,762
(ii) - refer note 7.2	**35,922**	31,762
(i) + (ii)	**198,539**	188,931

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Quoted:		
Inside UAE	**134,639**	124,920
Outside UAE	**34,805**	33,575
	169,444	158,495
Unquoted:		
Inside UAE	**288**	288
Outside UAE	**28,807**	30,148
	29,095	30,436
	198,539	188,931

7.1 Investments carried at FVTOCI

This include investments in equity shares of listed companies. Fair values of these equity shares are determined by reference to published price quotations in an active market. The Group holds non-controlling interests in these companies. FVTOCI also includes the investments in funds which are unquoted. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. Movement during the period / year is as below:

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
As at 1 January	**157,169**	134,429
Purchases made during the period/year	**1,103**	3,968
Net change in fair value	**4,516**	20,860
Disposals/repayment during the period/year	**(171)**	(2,088)
Balance at end of the period/year	**162,617**	157,169

7 INVESTMENTS (continued)

7.1 Investments carried at FVTOCI (continued)

Cumulative changes in fair value of investments carried at FVTOCI

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
As at 1 January	**26,040**	3,410
Net change in fair value during the period/year	**4,516**	20,860
Deferred tax on unrealized fair value change (note 18)	**(179)**	**-**
Transfer to retained earnings upon disposal	-	1,770
Balance at end of the period/year (i)	**30,377**	26,040

Change in fair value of interest rate swap

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
As at 1 January	-	(479)
Change in fair value during the period/year	-	479
Balance at end of the period/year (ii)	-	-
Fair value reserve as on (i) + (ii)	**30,377**	26,040

7.2 Investments carried at FVTPL

This include investments in equity shares of listed companies. Fair values of these equity shares are determined by reference to published price quotations in an active market. Movement during the year as follows:

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
As at 1 January	**31,762**	30,105
Purchases made during the period/year	-	563
Fair value gain (note 5)	**4,160**	2,130
Realized gain on disposal of investments (note 5)	-	115
Disposals during the period/year	-	(1,151)
Balance at the end of period/year	**35,922**	31,762

7 INVESTMENTS (continued)

7.2 Investments carried at FVTPL (continued)

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 categorized:

At 30 September 2024 (unaudited)	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***	***Total AED'000***
Investments carried at FVTOCI	**133,522**	-	**29,095**	**162,617**
Investments carried at FVTPL	**35,922**	-	**-**	**35,922**
	169,444	-	**29,095**	**198,539**

At 31 December 2023 (audited)	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
Investments carried at FVTOCI	126,733	-	30,436	157,169
Investments carried at FVTPL	31,762	-	-	31,762
	158,495	-	30,436	188,931

There were no transfers between the levels during the period.

8 INVESTMENT PROPERTIES

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Cost:		
Lands	**96,767**	96,767
Buildings	**226,731**	226,197
	323,498	322,964
Depreciation and impairment:		
Accumulated depreciation	**(76,060)**	(70,163)
Impairment – (i)	**(3,479)**	(3,479)
Net book value	**243,959**	249,322

(i) Movement in impairment on investment properties is as follow;

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Balance as of 1 January	**3,479**	18,325
Reversal during the period/year	**-**	(14,846)
Closing at the end of period/year	**3,479**	3,479

8 INVESTMENT PROPERTIES (continued)

Investment properties are accounted for using the cost model. The fair valuation of the investment properties is performed on a periodic basis, at least annually. Recent valuation was performed as at 31 December 2023 and has been arrived on the basis of a 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. Fair value of the Group'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 2023 was AED 430,706 thousand.

Impairment of investment properties
Management has made impairment assessment based on the difference between projected rental income and actual inflows and involved an external valuer for valuation of investment properties. Based on the assessment, market value of the properties are not less than carrying value. Based on the valuation of the properties, during the prior period ended 30 September 2023 the Group had reversed a previously recorded impairment of AED 12,305 thousand.

9 INVENTORIES

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Raw materials	**88,238**	111,609
Work in progress and semi-finished goods	**73,285**	95,062
Finished goods	**16,129**	16,023
Stores and spares	**117,971**	110,113
	295,623	332,807
Less: provision for slow moving inventories	**(22,212)**	(22,343)
	273,411	310,464
Goods-in-transit	**1,093**	2,861
	274,504	313,325

Movement in the provision for slow moving inventories is as follows:

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
At 1 January	**22,343**	22,053
Add: provided during the period/year	**900**	3,500
Less: written back during the period/year	**(1,031)**	(3,210)
	22,212	22,343

Provision for slow moving inventories was written back during the period/year based of the Group's assessment of the net realizable value of the semi-finished goods and also the consumption of the old stock of finished goods during the period/year.

10 BANK BALANCES AND CASH

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Cash in hand	**493**	558
Bank balances	**30,520**	18,988
	31,013	19,546

Bank balances includes AED 0.78 million (31 December 2023: AED 1.6 million) held outside UAE.

11 BANK BORROWINGS

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Long term borrowings:		
Term loans	**149,103**	144,931
Less: current portion of term loans	**(47,771)**	(32,771)
Non-current portion of term loans	**101,332**	112,160
Short term borrowings:		
Short term loans	**259,759**	323,508
Current portion of term loans	**47,771**	32,771
	307,530	356,279

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

(ii) Bank borrowings are secured by:

- Demand promissory note for AED 256 million in favor of the bank 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 130 million in respect of plant and machinery on Paari Passu basis.
- Registered pledge and assignment of insurance policy over captive power plant for an amount of AED 100 million in favor 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 borrowing agreements contain various restrictive covenants and require the Group to maintain certain minimum amounts of working capital, equity and financial ratios. Testing for compliance with the financial covenants is done annually on 31 December. These covenants were met by the Group as at 30 September 2024.

(iv) The Group has unused credit facilities of AED 136 million as at 30 September 2024 (31 December 2023: AED 189 million).

(v) Average interest rate on these borrowings varies from 6.25% to 7.25% (2023: 6.5% to 7.5%).

12 SHARE CAPITAL

	30 September 2024 AED'000 (unaudited)	*31 December 2023 AED'000 (audited)*
Authorised, issued and paid up		
608,253,747 shares of AED 1 each	**608,254**	608,254

13 STATUTORY RESERVE

In accordance with the UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the 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.

14 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.

15 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Group and the weighted average number of ordinary shares outstanding as at 30 September 2024, calculated as follows:

	Three-month period ended 30 September (unaudited)		***Nine-month period ended 30 September (unaudited)***	
	2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Net profit/(loss) for the period (AED'000)	**11,872**	(5,762)	**21,507**	(11,618)
Weighted average number of shares ('000)	**608,254**	608,254	**608,254**	608,254
Basic and diluted earnings/(loss) per share (AED)	**0.020**	(0.009)	**0.035**	(0.019)

16 CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 September 2024, the Group has issued guarantees relating to performance bonds amounting to AED 1,674 thousand (31 December 2023: AED 1,673 thousand), from which it is anticipated that no material liabilities will arise.

The group has commitments towards letter of credit at the reporting date amounted to AED 133 thousand (31 December 2023: AED 2,344 thousand).

Estimated capital expenditure commitment at the reporting date amounted to AED 25,208 thousand (31 December 2023: AED 9,574 thousand). The Group also has commitments of AED 3,161 thousand (31 December 2023: AED 4,264 thousand) 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.

17 SEGMENT REPORTING

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

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

Investment segment is organised into two business units as follows:

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

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

	Three-month period ended 30 September (unaudited)		***Nine-month period ended 30 September (unaudited)***	
	2024 AED'000	*2023 AED'000*	***2024 AED'000***	*2023 AED'000*
Manufacturing				
Revenue	**162,088**	157,086	**500,017**	458,354
Cost of sales	**(139,636)**	(149,735)	**(449,248)**	(449,425)
Gross profit	**22,452**	7,351	**50,769**	8,929
Miscellaneous income	**365**	(198)	**1,257**	821
Expenses	**(5,539)**	(4,085)	**(14,002)**	(11,898)
Net segment results	**17,278**	3,068	**38,024**	(2,148)
Investment				
Income from investment in private and public equities and funds	**3,687**	1,759	**11,323**	7,801
Impairment reversal on investment properties	**-**	-	**-**	12,305
	3,687	1,759	**11,323**	20,106
Income from investment properties	**3,193**	2,428	**9,817**	7,486
Depreciation	**(1,971)**	(1,962)	**(5,897)**	(5,889)
	1,222	466	**3,920**	1,597
Net segment results	**4,909**	2,225	**15,243**	21,703
Finance costs	**(7,130)**	(8,972)	**(23,322)**	(23,845)
Unallocated income and expenses-Head office	**(2,305)**	(2,083)	**(7,298)**	(7,328)
Income tax expense	**(880)**	-	**(1,140)**	-
Income/(loss) for the period	**11,872**	(5,762)	**21,507**	(11,618)

17 SEGMENT REPORTING (continued)

Other information

	30 September 2024 (unaudited)			*31 December 2023 (audited)*		
	Manufacturing AED'000	***Investment AED'000***	***Total AED'000***	*Manufacturing AED'000*	*Investment AED'000*	*Total AED'000*
Segment assets	**1,425,316**	**490,327**	**1,915,643**	1,449,552	485,596	1,935,148
Segment liabilities	**579,765**	**11,250**	**591,015**	636,364	-	636,364
Depreciation	**53,253**	**5,897**	**59,150**	74,633	7,852	82,485
Capital expenditure	**42,483**	**2,424**	**44,907**	40,356	7,936	48,292

Geographical information

The following table presents revenue, asset and liability information regarding geographic segments for the periods ended 30 September 2024 and 30 September 2023.

	30 September 2024 (unaudited)			*30 September 2023 (unaudited)*		
	Domestic AED'000	***International AED'000***	***Total AED'000***	*Domestic AED'000*	*International AED'000*	*Total AED'000*
Revenue	**435,703**	**64,314**	**500,017**	376,749	81,605	458,354
Investment income	**13,122**	**2,121**	**15,243**	9,266	132	9,398

	30 September (unaudited)			*31 December 2023 (audited)*		
	Domestic AED'000	***International AED'000***	***Total AED'000***	*Domestic AED'000*	*International AED'000*	*Total AED'000*
Assets	**1,789,463**	**126,180**	**1,915,643**	1,806,588	128,560	1,935,148
Liabilities	**517,284**	**73,731**	**591,015**	564,765	71,599	636,364
Capital expenditure	**43,804**	**1,103**	**44,907**	44,324	3,968	48,292

18 INCOME TAX

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 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. Tax charge for the period ended 30 September 2024 is AED 1,140 thousand representing effective tax rate of 5.03%.

	30 September 2024 AED'000 (unaudited)
Interim Consolidated Statement of Profit or loss	
Current income tax charge	**1,257**
Deferred tax related to the origination of the temporary differences	**(117)**
	1,140
Interim Consolidated Other Comprehensive income	
Deferred tax related to gain on investments designated at fair value through OCI *(note 7)*	**179**
Deferred Tax reflected in the statement of financial position as follows;	
Deferred tax asset	**202**
Deferred tax liabilities	**264**
Deferred tax liability – net	**62**

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significant 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.

Compensation of key management personnel is as follows:

	Nine-month period ended 30 September	
	2024 AED'000	*2023 AED'000*
Short term employee benefits and end of service benefits	**5,522**	6,010
Number of key management personnel	**14**	15

20 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 November 2024.