

**Fujairah Cement Industries P.J.S.C.  
Fujairah - United Arab Emirates**

**Independent auditors' review report and condensed  
interim financial information (unaudited)  
For the six month period ended June 30, 2015**

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Table of contents

---

	<u>Pages</u>
General information	1
Independent auditors' report on review of condensed interim financial information	2
Condensed interim statement of financial position	3
Condensed interim statement of profit or loss	4
Condensed interim statement of other comprehensive income	5
Condensed interim statement of changes in shareholders' equity	6
Condensed interim statement of cash flows	7
Notes to the condensed interim financial information	8 - 16

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

General information

---

Head Office Address : P. O. Box: 600  
Fujairah - United Arab Emirates  
T: +971 9 222 3111  
F: +971 9 222 7718  
Email: hofci79@fciho.ae

Factory Address : P.O. Box: 11477  
Dibba, Fujairah - United Arab Emirates  
T: +971 9 244 4011  
F: +971 9 244 4016  
Email: fujcem82@emirates.net.ae

Website : [www.fujairahcement.com](http://www.fujairahcement.com)

The Auditors : Horwath Mak  
P. O. Box: 1650  
Fujairah - United Arab Emirates



Ref: JM/AR/F-15/066

**Independent auditors' report on review of condensed interim financial information**

To,

The Board of Directors

**M/s. Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

**Introduction**

We have reviewed the accompanying condensed interim financial information of **M/s. Fujairah Cement Industries P.J.S.C.**, Fujairah - United Arab Emirates (the "Entity") which comprise the condensed interim statement of financial position as at June 30, 2015, and the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income, the condensed interim statement of changes in shareholders' equity and the condensed interim statement of cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information 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 condensed interim financial information as at June 30, 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

**For Horwath Mak**

**James Mathew FCA, CPA (USA)**

**Managing Partner**

**Reg. no. 548**

**09 AUG 2015**



**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Condensed interim statement of financial position as at June 30, 2015 (Unaudited)

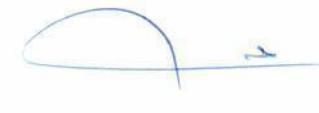
(In Arab Emirates Dirhams)

	Notes	Jun 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	3	1,284,998,762	1,240,935,234
Extraction and concession rights	4	10,340,717	12,687,633
<i>Total non-current assets</i>		<u>1,295,339,479</u>	<u>1,253,622,867</u>
<i>Current assets</i>			
Inventories	5	265,063,161	295,507,123
Trade receivables	6	171,860,950	161,917,850
Advances, deposits and other receivables	7	17,440,710	3,344,414
Cash and bank balances	8	12,875,780	18,567,253
<i>Total current assets</i>		<u>467,240,601</u>	<u>479,336,640</u>
<b>Total assets</b>		<u><b>1,762,580,080</b></u>	<u><b>1,732,959,507</b></u>
<b>Shareholders' equity and liabilities</b>			
<i>Shareholders' equity</i>			
Share capital	9	355,865,320	355,865,320
Statutory reserve	11	145,075,893	145,075,893
Voluntary reserve	12	222,536,002	222,536,002
Retained earnings	13	244,805,902	227,905,022
<i>Total shareholders' equity</i>		<u>968,283,117</u>	<u>951,382,237</u>
<i>Non-current liabilities</i>			
Bank borrowings - non-current portion	14	358,227,326	278,710,169
Finance lease liability - non-current portion	15	-	54,811,441
Employees' end of service benefits	16	14,772,754	13,754,037
<i>Total non-current liabilities</i>		<u>373,000,080</u>	<u>347,275,647</u>
<i>Current liabilities</i>			
Trade and other payables	17	150,567,494	184,202,573
Bank borrowings - current portion	14	270,729,389	222,693,330
Finance lease liability - current portion	15	-	27,405,720
<i>Total current liabilities</i>		<u>421,296,883</u>	<u>434,301,623</u>
Total liabilities		<u>794,296,963</u>	<u>781,577,270</u>
<b>Total shareholders' equity and liabilities</b>		<u><b>1,762,580,080</b></u>	<u><b>1,732,959,507</b></u>

The accompanying notes form an integral part of this condensed interim financial information.

The review report of the auditors is set out on page 2.

The condensed interim financial information on pages 3 to 16 were approved by the Board of Directors on August 09, 2015 and signed on its behalf by:


  
 \_\_\_\_\_  
**Chairman**

  
 \_\_\_\_\_  
**Board member**

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Condensed interim statement of profit or loss

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	Notes	<b>Apr 01, 2015</b> <b>Jun 30, 2015</b> <b>(3 months)</b> <b>(Unaudited)</b>	Apr 01, 2014 Jun 30, 2014 (3 months) (Unaudited)	<b>Jan 01, 2015 to</b> <b>Jun 30, 2015</b> <b>(6 months)</b> <b>(Unaudited)</b>	Jan 01, 2014 to Jun 30, 2014 (6 months) (Unaudited)
Revenue	18	153,212,365	145,799,150	315,382,279	298,030,528
Cost of sales		(135,564,821)	(132,591,882)	(281,038,640)	(271,680,778)
Gross profit		17,647,544	13,207,268	34,343,639	26,349,750
Selling and distribution expenses		(380,440)	(513,691)	(1,045,316)	(1,145,737)
General and administrative expenses		(3,450,054)	(2,649,858)	(6,588,514)	(5,171,314)
Amortization of extraction and concession rights	4	(1,173,456)	(1,173,456)	(2,346,916)	(2,346,916)
Finance costs		(4,189,429)	(3,322,889)	(7,869,129)	(6,782,142)
Other income		305,333	597,165	407,116	632,040
<b>Profit for the period</b>		<b>8,759,498</b>	<b>6,144,539</b>	<b>16,900,880</b>	<b>11,535,681</b>
Basic earnings per share (U.A.E. Fils)	10	<b>2.5</b>	1.7	<b>4.7</b>	3.2


The accompanying notes form an integral part of this condensed interim financial information.

The review report of the auditors is set out on page 2.

The condensed interim financial information on pages 3 to 16 were approved by the Board of Directors on August 09, 2015 and signed on its behalf by:



Chairman



Board member

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Condensed interim statement of other comprehensive income

For the six month period ended June 30, 2015 (Unaudited)

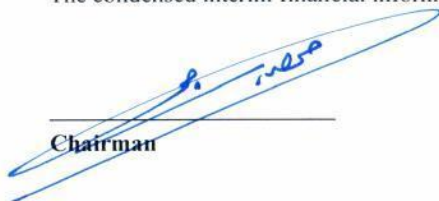
(In Arab Emirates Dirhams)


	<u>Apr 01, 2015</u>	<u>Apr 01, 2014</u>	<u>Jan 01, 2015 to</u>	<u>Jan 01, 2014 to</u>
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
	<u>(3 months)</u>	<u>(3 months)</u>	<u>(6 months)</u>	<u>(6 months)</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>Profit for the period</b>	<b>8,759,498</b>	6,144,539	<b>16,900,880</b>	11,535,681
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>8,759,498</b>	<b>6,144,539</b>	<b>16,900,880</b>	<b>11,535,681</b>

The accompanying notes form an integral part of this condensed interim financial information.

The review report of the auditors is set out on page 2.

The condensed interim financial information on pages 3 to 16 were approved by the Board of Directors on August 09, 2015 and signed on its behalf by:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Board member

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Condensed interim statement of changes in shareholders' equity

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Retained earnings</u>	<u>Total shareholders' equity</u>
Balance as at December 31, 2013 (Audited)	355,865,320	142,498,511	222,536,002	204,708,584	925,608,417
Profit for the period	-	-	-	11,535,681	11,535,681
Balance as at June 30, 2014 (Unaudited)	<u>355,865,320</u>	<u>142,498,511</u>	<u>222,536,002</u>	<u>216,244,265</u>	<u>937,144,098</u>
Balance as at December 31, 2014 (Audited)	355,865,320	145,075,893	222,536,002	227,905,022	951,382,237
Profit for the period	-	-	-	16,900,880	16,900,880
<b>Balance as at June 30, 2015 (Unaudited)</b>	<b><u>355,865,320</u></b>	<b><u>145,075,893</u></b>	<b><u>222,536,002</u></b>	<b><u>244,805,902</u></b>	<b><u>968,283,117</u></b>

The accompanying notes form an integral part of this condensed interim financial information.

The review report of the auditors is set out on page 2.



**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Condensed interim statement of cash flows

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<b>Jan 01, 2015 to Jun 30, 2015 (6 months) (Unaudited)</b>	Jan 01, 2014 to Jun 30, 2014 (6 months) (Unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	<b>16,900,880</b>	11,535,681
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	<b>24,982,047</b>	24,568,180
Allowance for slow-moving spare parts	<b>500,000</b>	500,000
Amortization of extraction and concession rights	<b>2,346,916</b>	2,346,916
Provision for employees' end of service benefits	<b>1,210,256</b>	1,467,480
<b><i>Operating profit before changes in operating assets and liabilities</i></b>	<b>45,940,099</b>	40,418,257
<i>(Increase)/decrease in current assets</i>		
Inventories	<b>29,943,962</b>	(23,548,127)
Trade receivables	<b>(9,943,100)</b>	(17,191,761)
Advances, deposits and other receivables	<b>(14,096,296)</b>	(16,486,665)
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	<b>(33,634,045)</b>	88,948,329
<b><i>Cash generated from operations</i></b>	<b>18,210,620</b>	72,140,033
Employees' end-of-service benefits paid	<b>(191,539)</b>	(252,966)
<b><i>Net cash from operating activities</i></b>	<b>18,019,081</b>	71,887,067
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	<b>(69,045,575)</b>	(16,978,581)
<b><i>Net cash (used in) investing activities</i></b>	<b>(69,045,575)</b>	(16,978,581)
<b>Cash flows from financing activities</b>		
Proceeds from term loan	<b>50,540,569</b>	8,800,000
(Repayment) of term loans	<b>(28,118,662)</b>	(21,213,900)
Proceeds/(repayment) of other bank borrowings, net	<b>36,617,009</b>	(22,992,419)
(Repayment) of finance lease liability	<b>(13,702,861)</b>	(13,702,860)
Dividends paid	<b>(1,034)</b>	(157,324)
<b><i>Net cash from/(used in) financing activities</i></b>	<b>45,335,021</b>	(49,266,503)
<b><i>Net (decrease)/increase in cash and cash equivalents</i></b>	<b>(5,691,473)</b>	5,641,983
Cash and cash equivalents, beginning of the period	<b>18,567,253</b>	12,753,583
<b>Cash and cash equivalents, end of the period</b>	<b>12,875,780</b>	18,395,566
<b><i>Represented by:</i></b>		
Cash in hand	<b>368,439</b>	87,398
Bank balances - current accounts	<b>12,507,341</b>	9,308,168
Short-term fixed deposits	<b>-</b>	9,000,000
	<b>12,875,780</b>	18,395,566

The accompanying notes form an integral part of this condensed interim financial information.

The review report of the auditors is set out on page 2.

## **Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

---

### **1 Legal status and business activities**

- 1.1 M/s. Fujairah Cement Industries P.J.S.C.** (the "Entity") is a public joint stock company in the Emirate of Fujairah - United Arab Emirates established on December 20, 1979. The Entity's ordinary shares are listed on the Abu Dhabi Securities Exchange and Kuwait Stock Exchange.
- 1.2** The principal activities of the Entity are unchanged since the previous year and include the manufacturing of cement and erecting, operating and managing the required stores and silos necessary for this purpose, formation or participation in the formation of industrial companies and other similar activities.
- 1.3** The registered address of the Entity is P.O. Box: 600, Fujairah - United Arab Emirates.
- 1.4** This condensed interim financial information incorporate the operating results of the Industrial license no.

### **2 Significant accounting policies**

#### **2.1 Basis of preparation**

This condensed interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and is presented in Arab Emirates Dirhams (AED) which is the functional currency of the Entity.

This condensed interim financial information has been prepared on the historical cost basis, except for the revaluation of the financial instruments.

The accounting policies, presentation and methods, adopted in this condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2014.

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the audited financial statements for the year ended December 31, 2014.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2014.

The result for the six month period ended June 30, 2015 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2015.

The preparation of this condensed interim financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements for the year ended December 31, 2014.

#### **2.2 Property, plant and equipment**

Land is stated at cost.

Other property, plant and equipment (except for capital work-in-progress) are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred.

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

---

**2 Significant accounting policies (continued)**

**2.2 Property, plant and equipment (continued)**

Depreciation is charged so as to write off the cost of property, plant and equipment (other than land and capital work-in-progress), using the straight-line method over their useful lives as follows:

	<u>Years</u>
Buildings	8 to 35
Plant and machinery	6 to 35
Furniture and fixtures	4
Vehicles and mobile plant	4
Tools and equipment	4
Quarry development costs	6 to 20

Buildings and leasehold improvements are being depreciated over the period from when these became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes or for purposes not yet determined are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Entity's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences, on the same basis of estimated useful lives stated above, when the assets are ready for their intended use.

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

**3 Property, plant and equipment**

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Furniture and fixtures</b>	<b>Vehicles and mobile plant</b>	<b>Tools and equipment</b>	<b>Quarry development costs</b>	<b>Capital work-in- progress</b>	<b>Total</b>
<b>Cost</b>								
As at December 31, 2013 (Audited)	120,148,630	1,807,780,170	2,400,930	25,102,339	11,239,048	30,918,672	1,533,111	1,999,122,900
Addition during the year	-	12,947,328	114,881	245,661	249,856	-	28,449,354	42,007,080
Transferred from capital work-in-progress	-	4,464,572	-	-	330,790	-	(4,795,362)	-
As at December 31, 2014 (Audited)	120,148,630	1,825,192,070	2,515,811	25,348,000	11,819,694	30,918,672	25,187,103	2,041,129,980
Addition during the period	170,000	1,753,983	50,365	153,000	139,305	-	66,778,922	69,045,575
Transferred from capital work-in-progress	4,450,000	-	-	-	-	-	(4,450,000)	-
<b>As at June 30, 2015 (Unaudited)</b>	<b>124,768,630</b>	<b>1,826,946,053</b>	<b>2,566,176</b>	<b>25,501,000</b>	<b>11,958,999</b>	<b>30,918,672</b>	<b>87,516,025</b>	<b>2,110,175,555</b>
<b>Accumulated depreciation</b>								
As at December 31, 2013 (Audited)	19,675,881	673,551,046	2,283,815	25,052,441	11,020,597	19,251,302	-	750,835,082
Charge for the year	3,247,555	45,000,133	74,260	77,201	181,642	778,873	-	49,359,664
As at December 31, 2014 (Audited)	22,923,436	718,551,179	2,358,075	25,129,642	11,202,239	20,030,175	-	800,194,746
Charge for the period	1,674,990	22,676,931	39,179	55,240	146,270	389,437	-	24,982,047
<b>As at June 30, 2015 (Unaudited)</b>	<b>24,598,426</b>	<b>741,228,110</b>	<b>2,397,254</b>	<b>25,184,882</b>	<b>11,348,509</b>	<b>20,419,612</b>	<b>-</b>	<b>825,176,793</b>
<b>Carrying value</b>								
<b>As at June 30, 2015 (Unaudited)</b>	<b>100,170,204</b>	<b>1,085,717,943</b>	<b>168,922</b>	<b>316,118</b>	<b>610,490</b>	<b>10,499,060</b>	<b>87,516,025</b>	<b>1,284,998,762</b>
As at December 31, 2014 (Audited)	97,225,194	1,106,640,891	157,736	218,358	617,455	10,888,497	25,187,103	1,240,935,234

**Notes:**

- Part of the Entity's buildings, plant and machinery are constructed/erected on land obtained on lease from the Government of Fujairah.
- Capital work-in-progress mainly represents Waste Heat Recovery (WHR) based captive power plant expansion project in progress and sheds under construction.
- Capital work-in-progress includes borrowing costs on WHR project amounting to AED 970,820 (December 31, 2014: AED 261,733).
- Insurance policy covering the WHR project is assigned and a registered chattel mortgage over the project is provided in favour of the bank against the term loan (note 14).
- Insurance policies covering movable assets are assigned in favour of the bank against a term loan (note 14).
- Certain property, plant and equipment having carrying value of AED 133,893,893 (December 31, 2014: AED 136,047,200) are mortgaged against a term loan (2014: finance lease liability) (note 15).
- Depreciation is fully charged to cost of sales.
- Cost of fully depreciated property, plant and equipment that was still in use, at the end of the reporting period, amounted to AED 37,381,052 (December 31, 2014: AED 37,271,706).

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<b>Jun 30, 2015</b>	Dec 31, 2014
	<b>(Unaudited)</b>	(Audited)
<b>4 Extraction and concession rights</b>		
The carrying values are as follows:		
Extraction rights	<b>3,740,717</b>	4,987,633
Concession rights	<b>6,600,000</b>	7,700,000
	<b>10,340,717</b>	12,687,633
	<b>Extraction</b>	<b>Concession</b>
	<b>rights</b>	<b>rights</b>
		<b>Total</b>
<b>Cost</b>		
As at December 31, 2013 (Audited)	76,500,000	22,000,000
As at December 31, 2014 (Audited)	76,500,000	22,000,000
<b>As at June 30, 2015 (Unaudited)</b>	<b>76,500,000</b>	<b>22,000,000</b>
<b>Accumulated amortisation</b>		
As at December 31, 2013 (Audited)	69,018,539	12,100,000
Amortisation for the year	2,493,828	2,200,000
As at December 31, 2014 (Audited)	71,512,367	14,300,000
Amortisation for the period	1,246,916	1,100,000
<b>As at June 30, 2015 (Unaudited)</b>	<b>72,759,283</b>	<b>15,400,000</b>
<b>Carrying value:</b>		
<b>As at June 30, 2015 (Unaudited)</b>	<b>3,740,717</b>	<b>6,600,000</b>
As at December 31, 2014 (Audited)	4,987,633	7,700,000

The Entity has executed an agreement with the Fujairah Municipality on April 17, 2007 whereby extraction and concession rights have been granted for further 25 years from the date of agreement, automatically renewable for further 25 years and shall expire without notice after the fiftieth year.

	<b>Jun 30, 2015</b>	Dec 31, 2014
	<b>(Unaudited)</b>	(Audited)
<b>5 Inventories</b>		
Raw materials	<b>32,711,419</b>	38,956,351
Semi-finished products	<b>47,819,549</b>	66,658,628
Finished products	<b>2,292,698</b>	1,633,392
	<b>(a) 82,823,666</b>	107,248,371
Spare parts	<b>136,150,230</b>	141,988,049
Burning media	<b>66,984,627</b>	66,713,660
Bags and packing materials	<b>604,638</b>	557,043
Less: Allowance for slow-moving spare parts	<b>(21,500,000)</b>	(21,000,000)
	<b>(b) 182,239,495</b>	188,258,752
	<b>(a)+(b) 265,063,161</b>	295,507,123
Movement in allowance for slow-moving spare parts is as follows:		
Balance at the beginning of the period/year	<b>21,000,000</b>	20,000,000
Charge during the period/year	<b>500,000</b>	1,000,000
Balance at the end of the period/year	<b>21,500,000</b>	21,000,000

Insurance policies covering inventories are assigned in favour of a bank for a term loan (note 14).

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<b>Jun 30, 2015</b>	Dec 31, 2014
	<b>(Unaudited)</b>	(Audited)
<b>6 Trade receivables</b>		
Trade receivables	<b>174,167,705</b>	164,224,605
Less: Allowance for doubtful debts	<b>(2,306,755)</b>	(2,306,755)
	<b>171,860,950</b>	161,917,850
<i>Coverage:</i>		
Secured against unconditional bank guarantees	<b>103,786,376</b>	105,048,753
Open credit	<b>68,074,574</b>	56,869,097
	<b>171,860,950</b>	161,917,850
<b>7 Advances, deposits and other receivables</b>		
Prepayments	<b>10,905,389</b>	249,975
Advances to suppliers	<b>6,190,810</b>	2,844,676
Other receivables	<b>344,511</b>	249,763
	<b>17,440,710</b>	3,344,414
<b>8 Cash and bank balances</b>		
Cash in hand	<b>368,439</b>	54,586
Bank balances - current accounts	<b>12,507,341</b>	18,512,667
	<b>12,875,780</b>	18,567,253
Bank balances are maintained with banks registered in the United Arab Emirates.		
<b>9 Share capital</b>		
Number of ordinary shares	(Nos.) <b>355,865,320</b>	355,865,320
Nominal value per ordinary share	(AED) <b>1</b>	1
Issued and fully paid-up share capital	(AED) <b>355,865,320</b>	355,865,320
	<b>Apr 01, 2015</b>	Apr 01, 2014
	<b>Jun 30, 2015</b>	Jun 30, 2014
	<b>(3 months)</b>	(3 months)
	<b>(Unaudited)</b>	(Unaudited)
	<b>Jan 01, 2015 to</b>	Jan 01, 2014 to
	<b>Jun 30, 2015</b>	Jun 30, 2014
	<b>(6 months)</b>	(6 months)
	<b>(Unaudited)</b>	(Unaudited)
<b>10 Basic earnings per share</b>		
Profit for the period	(AED) <b>8,759,498</b>	6,144,539
Weighted average number of shares	(Nos.) <b>355,865,320</b>	355,865,320
Earnings per share for the period	(U.A.E. Fils) <b>2.5</b>	1.7
	<b>4.7</b>	3.2
<b>11 Statutory reserve</b>	<b>Jun 30, 2015</b>	Dec 31, 2014
	<b>(Unaudited)</b>	(Audited)
Balance at the beginning of the period/year	<b>145,075,893</b>	142,498,511
Add: Transferred from profit for the period/year (note 13)	<b>-</b>	2,577,382
Balance at the end of the period/year	<b>145,075,893</b>	145,075,893

In accordance with United Arab Emirates Federal Commercial Companies Law No. 8 of 1984 (as amended), the Entity has established a statutory reserve by appropriation of 10% of the profit for each year. The shareholders' general assembly may stop appropriations to the statutory reserve once its balance reaches 50% of the paid-up share capital. This reserve is not available for distribution except in the circumstances stipulated by law.

No transfer was effected at the end of the reporting period, as this will be based on the result for the financial year.

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<b>Jun 30, 2015</b>	Dec 31, 2014
	<b>(Unaudited)</b>	(Audited)
<b>12 Voluntary reserve</b>		
Balance at the end of the period/year	<b>222,536,002</b>	222,536,002
<p>In accordance with the Entity's Memorandum of Association, 10% of the profit of each year is to be appropriated to a voluntary reserve. Transfer may be suspended as proposed by the Board of Directors and approved by the Shareholders' General Assembly or when the reserve reaches 50% of the paid-up capital. This reserve is distributable when approved by a shareholders' resolution based on the recommendations of the Board of Directors.</p>		
<b>13 Retained earnings</b>		
Balance at the beginning of the period/year	<b>227,905,022</b>	204,708,584
Profit for the period/year	<b>16,900,880</b>	25,773,820
Less: Transferred to statutory reserve (note 11)	-	(2,577,382)
Balance at the end of the period/year	<b>244,805,902</b>	227,905,022
<b>14 Bank borrowings</b>		
<b>(a) Term loans</b>		
Balance at the beginning of the period/year	<b>334,947,492</b>	258,637,841
Add: Received during the period/year	<b>50,540,569</b>	117,308,879
Add: Transferred from finance lease liability (note 15)	<b>68,514,300</b>	-
Less: Repaid during the period/year	<b>(28,118,662)</b>	(40,999,228)
Balance at the end of the period/year	<b>425,883,699</b>	334,947,492
<i>Comprising:</i>		
Non-current portion	<b>358,227,326</b>	278,710,169
Current portion	<b>67,656,373</b>	56,237,323
	<b>425,883,699</b>	334,947,492
<i>Break-up of term loans</i>		
Term loan 1	<b>197,853,284</b>	217,638,613
Term loan 2	<b>67,849,448</b>	17,308,879
Term loan 3	<b>91,666,667</b>	100,000,000
Term loan 4	<b>68,514,300</b>	-
	<b>425,883,699</b>	334,947,492

*Term loan 1*

During 2006, the Entity was sanctioned this loan from an overseas bank to partly finance the cost of constructing a new clinker production line with a capacity of 7,500 metric tonnes per day. During 2010, the outstanding balance of AED 336,350,584 was rescheduled to be repaid in seventeen semi-annual installments of AED 19,785,328 each commenced in February 2012 and ending in February 2020. Interest, accrued on monthly basis, is paid separately on the due dates.

*Term loan 2*

During 2014, the Entity was sanctioned this loan from a bank operating in the United Arab Emirates for AED 123,400,000 to finance the Waste Heat Recovery based captive power plant expansion project. Drawdown of this loan as of June 30, 2015 amounted to AED 67,849,448. Repayment of the loan is in twenty eight equal quarterly installments of AED 4,407,143 each commencing from November 2016 and ending in October 2023. Interest, accrued on monthly basis, is paid separately on the due dates. Insurance policy covering the project is assigned and registered chattel mortgage over the project is provided in favour of the bank (note 3).

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

**14 Bank borrowings (continued)****(a) Term loans (continued)***Term loan 3*

During 2014, the Entity was sanctioned this loan from a bank operating in the United Arab Emirates for AED 100,000,000 to refinance the existing liabilities with other banks. Repayment of the loan is in twelve equal half yearly installments of AED 8.33 million each commenced in March 2015 and ending in September 2020. Interest at commercial rates, accrued on monthly basis, is paid separately on the due dates. Insurance policies covering moveable assets (note 3) and inventories (note 5) are assigned in favour of the bank.

*Term loan 4*

In April 2015, the Entity was sanctioned this loan from a bank operating in the United Arab Emirates for AED 68,514,300 to refinance the existing finance lease liability (note 15) with the same bank. Repayment of the loan is in twelve equal half yearly installments of AED 5.71 million each commencing from August 2015 and ending in February 2021. Interest, accrued on monthly basis, is paid separately on the due dates.

	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>(b) Other bank borrowings</b>		
Trust receipts	<b>147,436,892</b>	53,994,804
Bills discounted	<b>12,800,301</b>	19,885,543
Acceptances	<b>42,835,823</b>	92,575,660
	<b><u>203,073,016</u></b>	<u>166,456,007</u>
<b>Bank borrowings - non-current portion</b>		
Non-current portion of term loans is to be repaid as follows:		
In the second year	<b>80,877,802</b>	56,237,323
In the third to fifth year	<b>255,854,834</b>	168,711,970
After five years	<b>21,494,690</b>	53,760,876
Term loans (refer a)	<b><u>358,227,326</u></b>	<u>278,710,169</u>
<b>Bank borrowings - current portion</b>		
Term loans (refer a)	<b>67,656,373</b>	56,237,323
Other bank borrowings (refer b)	<b>203,073,016</b>	166,456,007
	<b><u>270,729,389</u></b>	<u>222,693,330</u>
<b>Total bank borrowings</b>	<b><u>628,956,715</u></b>	<u>501,403,499</u>

Term loan 4 and other bank borrowings are secured by:

- i) Registered charge over Coal Power Station and Thermal Power Plant (including machinery).
- ii) Assignment of insurance policy for AED 406.7 million covering the cement factory on a parri passu basis.
- iii) Assignment of insurance policy for AED 236.9 million covering the Thermal Power Plant on a parri passu basis.
- iv) Assignment of leasehold rights (between the Entity & Fujairah Municipality) over Thermal Power Plant.



**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<u>Jun 30, 2015</u>	Dec 31, 2014
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>15 Finance lease liability</b>		
Balance at the beginning of the period/year	82,217,161	109,622,881
Less: Repaid during the period/year	(13,702,861)	(27,405,720)
Less: Transferred to term loans (note 14)	(68,514,300)	-
Balance at the end of the period/year	<u>-</u>	<u>82,217,161</u>
<i>Comprising:</i>		
Non-current portion	-	54,811,441
Current portion	-	27,405,720
	<u>-</u>	<u>82,217,161</u>

In April 2015, the lending bank re-financed the existing financial lease liability by means of a term loan (note 14).

**16 Employees' end of service benefits**

Balance at the beginning of the period/year	13,754,037	12,535,899
Add: Charge for the period/year	1,210,256	2,144,569
Less: Paid during the period/year	(191,539)	(926,431)
Balance at the end of the period/year	<u>14,772,754</u>	<u>13,754,037</u>

**17 Trade and other payables**

Trade payable	90,315,179	140,997,695
Retention payable	10,466,254	154,266
Dividends payable	4,292,970	4,294,004
Advances received from customers	3,037,438	1,189,750
Accruals	37,403,561	32,436,702
Interest payable	2,763,522	4,121,175
Other payables	2,288,570	1,008,981
	<u>150,567,494</u>	<u>184,202,573</u>

	<u>Apr 01, 2015</u>	Apr 01, 2014	<u>Jan 01, 2015 to</u>	Jan 01, 2014 to
	<u>Jun 30, 2015</u>	Jun 30, 2014	<u>Jun 30, 2015</u>	Jun 30, 2014
	<u>(3 months)</u>	(3 months)	<u>(6 months)</u>	(6 months)
	<u>(Unaudited)</u>	(Unaudited)	<u>(Unaudited)</u>	(Unaudited)
<b>18 Revenue</b>				
Sales : Within U.A.E.	59,301,751	63,762,053	132,939,842	126,655,835
: Outside U.A.E. : GCC	88,710,551	82,037,097	173,054,774	171,374,693
: Others	5,200,063	-	9,387,663	-
	<u>153,212,365</u>	<u>145,799,150</u>	<u>315,382,279</u>	<u>298,030,528</u>

**19 Related party transactions**

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel.

The Entity believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

**Fujairah Cement Industries P.J.S.C.**

Fujairah - United Arab Emirates

Notes to the condensed interim financial information

For the six month period ended June 30, 2015 (Unaudited)

(In Arab Emirates Dirhams)

	<u>Jun 30, 2015</u>	Dec 31, 2014
	<u>(Unaudited)</u>	(Audited)
<b>19 Related party transactions (continued)</b>		
a) Balances due from related parties (included in trade receivables)	<u>1,233,830</u>	<u>1,385,135</u>

**b) Transactions with related parties**

The nature of significant related party transactions and the amounts involved were as follows:

	<u>Apr 01, 2015</u>	Apr 01, 2014	<u>Jan 01, 2015 to</u>	Jan 01, 2014 to
	<u>Jun 30, 2015</u>	Jun 30, 2014	<u>Jun 30, 2015</u>	Jun 30, 2014
	<u>(3 months)</u>	(3 months)	<u>(6 months)</u>	(6 months)
	<u>(Unaudited)</u>	(Unaudited)	<u>(Unaudited)</u>	(Unaudited)
Sales	<u>1,184,687</u>	<u>1,380,384</u>	<u>2,389,620</u>	<u>2,793,422</u>

**c) Key management personnel compensation**

The compensation of key management personnel is as follows:

Key management remuneration	<u>710,187</u>	<u>581,700</u>	<u>1,699,611</u>	<u>1,005,950</u>
-----------------------------	----------------	----------------	------------------	------------------

**20 Seasonality of results**

No income of seasonal nature was recorded in the condensed interim statement of profit or loss for the current period.

**21 Contingent liabilities**

Except for ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability as of the reporting date.

**22 Commitments**

	<u>Jun 30, 2015</u>	Dec 31, 2014
	<u>(Unaudited)</u>	(Audited)
Commitments for the purchase of property, plant and equipment	<u>55,520,669</u>	<u>122,548,655</u>

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known commitment as of the reporting date.

**23 Comparatives**

Certain amounts of the prior period/year were reclassified to conform to the current period's presentation. However, such reclassification has no impact on the previously reported financial result or equity.