

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
FUJAIRAH
UNITED ARAB EMIRATES

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS
PERIOD ENDED 30 JUNE 2020

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Financial Statements
For the Six Months Period Ended 30 June 2020

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**Review Report on Condensed Interim Financial Statements
to the Board of Directors of Fujairah Cement Industries P.J.S.C
(Public J.S.C)**

Introduction

We have reviewed the accompanying condensed interim financial statements of **Fujairah Cement Industries P.J.S.C (the "Company")** which comprise the condensed interim statement of financial position as at 30 June 2020 and the condensed interim statement of comprehensive income, changes in equity and cash flows for the Six -month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim 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 Company". A review of condensed 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 statements as at 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL


Ali Hasan Shalabi
Licensed Auditor No. 34

13 August 2020


FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Statement of Financial Position
As at 30 June 2020

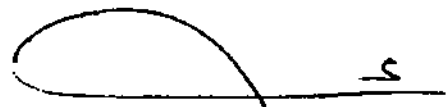
EXHIBIT A

	<u>Note</u>	<u>30 June 2020</u> <u>(Unaudited)</u> AED	<u>31 December 2019</u> <u>(Audited)</u> AED
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,181,034,031	1,189,288,091
Right-of-use Assets	6	118,169,671	122,914,188
Total Non-Current Assets		1,299,203,702	1,312,202,279
Current Assets			
Inventories	7	445,171,845	398,594,223
Trade receivables	8	215,977,381	218,409,772
Advances and other receivables	9	14,564,541	6,645,037
Cash and bank balances	10	3,241,448	40,953,785
Total Current Assets		678,955,215	664,602,817
TOTAL ASSETS		1,978,158,917	1,976,805,096
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	11	355,865,320	355,865,320
Statutory reserve	12	161,750,412	161,750,412
Voluntary reserve	13	222,536,002	222,536,002
Retained earnings		261,411,476	289,562,667
Total Shareholders' Equity – Exhibit C		1,001,563,210	1,029,714,401
Non-Current Liabilities			
Employees' end of service benefits	14	14,457,519	14,220,332
Lease liabilities	15	125,389,785	123,150,102
Bank borrowings	16	279,767,290	312,850,828
Total Non-Current Liabilities		419,614,594	450,221,262
Current Liabilities			
Trade and other payables	17	148,875,100	111,327,087
Lease liabilities	15	10,835,918	10,835,918
Bank borrowings	16	397,270,095	374,706,428
Total Current Liabilities		556,981,113	496,869,433
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,978,158,917	1,976,805,096

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved for issue on behalf of the Board
of Directors on 13 August 2020


Sheikh Mohamed Bin Hamad Saif Al Sharqi
(Chairman)


Board Member

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Statement of Comprehensive Income
For the Six Months Period Ended 30 June 2020 (Unaudited)

EXHIBIT B

	Note	<u>Six months period ended</u>		<u>Three months period ended</u>	
		<u>30 June 2020</u>	<u>30 June 2019</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
		AED	AED	AED	AED
Revenue	18	230,798,338	294,310,803	86,726,071	137,647,915
Cost of sales		(207,503,744)	(232,337,039)	(75,584,144)	(105,174,888)
Gross profit		23,294,594	61,973,764	11,141,927	32,473,027
Gain on sale of investment of associate			6,688,314	--	6,688,314
Other income	19	1,139,329	3,954,656	241,099	382,705
Selling and distribution expenses		(28,525,558)	(39,034,798)	(11,714,556)	(19,746,506)
General administrative expenses		(5,706,059)	(7,412,868)	(2,692,827)	(3,883,455)
Finance cost – bank borrowings		(16,113,814)	(16,116,306)	(7,717,078)	(8,116,077)
Finance cost lease liability		(2,239,683)	(2,305,463)	(1,098,247)	(1,146,935)
(Loss)/profit for the Period - Exhibit D		(28,151,191)	7,747,299	(11,839,682)	6,651,073
Other comprehensive income		--	--	--	--
Total Comprehensive (loss)/income for the period - Exhibit B		(28,151,191)	7,747,299	(11,839,682)	6,651,073
Basic (loss)/earnings per share	20	(0.079)	0.021	(0.033)	0.018

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Statement of Changes In Equity
For the Six Months Period Ended 30 June 2020 (Unaudited)

EXHIBIT C

	Share Capital AED	Statutory reserves AED	Voluntary reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2019 (Audited)	355,865,320	160,876,827	222,536,002	300,716,317	1,039,994,466
Total comprehensive income for the period ended 30 June 2019 - Exhibit B	--	--	--	7,747,299 (1,222,650)	7,747,299 (1,222,650)
Remuneration to the Board of Directors	--	--	--	(17,793,266)	(17,793,266)
Dividends paid					
Balance at 30 June 2019 (Unaudited) - Exhibit A	355,865,320	160,876,827	222,536,002	289,447,700	1,028,725,849
Balance at 1 January 2020 (Audited)	355,865,320	161,750,412	222,536,002	289,562,667	1,029,714,401
Total comprehensive loss for the period ended 30 June 2020 - Exhibit B	--	--	--	(28,151,191)	(28,151,191)
Balance at 30 June 2020 (Unaudited) - Exhibit A	355,865,320	161,750,412	222,536,002	261,411,476	1,001,563,210

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Statement of Cash Flows
For the Six Months Period Ended 30 June 2020 (Unaudited)

EXHIBIT D

	Six Months Period Ended	
	30 June 2020	30 June 2019
	AED	AED
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit for the period - Exhibit B	(28,151,191)	7,747,299
Adjustments for:		
Depreciation	26,774,512	26,023,360
Amortization of right-of-use assets	4,744,517	4,744,517
Gain on sale of property, plant and equipment	(62,999)	(25,198)
Employees end of service benefits	578,706	1,295,003
Gain on sale of investment in associate	--	(6,688,314)
Reversal of excess of provision for employees end of service benefits	--	(1,625,594)
Finance cost - lease liability	2,239,683	2,305,463
Finance cost - bank borrowings	16,113,814	16,116,306
Operating Cash flows Before Changes in Operating assets and liabilities	22,237,042	49,892,842
Increase in inventories	(46,577,622)	(14,046,669)
Decrease/(increase) in trade receivables	2,432,391	(830,389)
Increase in advances and other receivables	(7,919,504)	(15,445,436)
Increase in trade and other payables	35,788,132	5,854,520
Settlements of employees end of service benefits	(341,519)	(1,607,927)
Net Cash Provided by Operating Activities	5,618,920	23,816,941
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,520,453)	(14,560,885)
Proceeds from sale of property, plant and equipment	63,000	25,200
Proceeds from sale of investment	--	20,223,496
Net Cash (Used in)/Provided by Investing Activities	(18,457,453)	5,687,811
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	--	(736,176)
Proceeds from bank borrowings	--	1,414,603
Repayments of bank borrowings	(25,723,996)	(30,025,583)
Proceeds from other bank borrowings, net	15,204,125	32,111,049
Finance cost paid on bank borrowings	(14,353,933)	(15,899,286)
Dividends paid	--	(17,793,266)
Remuneration to the board of directors	--	(1,222,650)
Net Cash Used in Financing Activities	(24,873,804)	(32,151,309)
Net decrease in cash and cash equivalents	(37,712,337)	(2,646,557)
Cash and cash equivalents at beginning of period	40,953,785	16,834,898
Cash and Cash Equivalents at end of Period - Note 21	3,241,448	14,188,341

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS**

1. STATUS AND ACTIVITIES

Fujairah Cement Industries P.J.S.C – Fujairah (the “Company”) is a public joint stock company in the Emirate of Fujairah – United Arab Emirates established on 20 December 1979. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange and Boursa Kuwait (Kuwait Stock Exchange).

The main activities of Company are clinkers and hydraulic cement manufacturers and Ready Mixed Concrete Manufacturing.

The Company is domiciled registered address in P.O. Box : 600, Fujairah - United Arab Emirates.

2. NEW AND REVISED STANDARDS ADOPTED

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed interim financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34, “Interim Financial Reporting”.

Condensed interim financial statements does not include all of the information and footnotes required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company’s annual audited financial statements as at and for the year ended 31 December 2019. In addition, results for the six months period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2020.

3.2 Basis of measurement

These condensed interim financial statements are prepared under the historical cost convention.

These condensed interim financial statements are presented in Arab Emirates Dirham (AED), which is the Company’s Functional Currency. Amounts in the condensed interim financial statements are rounded to the nearest Arab Emirates Dirham (AED).

3.3 Judgments and estimates

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

In preparing these condensed interim financial statements the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as that were applied to financial statements for the year ended 31 December 2019.

2. BASIS OF PREPARATION (CONTINUED)

3.3 Judgments and estimates (Continued)

The potential impact of the coronavirus pandemic on the Company's performance and ability of continuity is uncertain, up to reporting date, the pandemic had no material impact on the Company operating results. However, the Company continued to monitor the situation closely the potential impact on operating results. The situation could change at any time and there can be assurance that the coronavirus pandemic will have a material adverse on the future results of the Company

3.4 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in audited financial statements for the year ended 31 December 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the Company's audited annual financial statements for the year ended 31 December 2019.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to property, plant and equipment have been disclosed in the condensed interim financial statements.

4.1 Property, plant and equipment

The property, plant and equipment are carried at their cost less any accumulated depreciation and any accumulated impairment. Cost includes purchase cost together with any incidental costs of acquisition.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item and the cost of the item can be measured reliably.

The cost of day to day service of property and equipment is expensed as incurred.

Depreciation of an asset begins when it is available for use in the manner intended by management.

Depreciation is calculated on a straight line basis over the estimated useful lives which are as follows :

	<u>Estimated useful lives</u>
	Years
Buildings	8 - 35
Plant and machinery	6 - 35
Furniture and fixtures	4
Vehicle and mobile plant	4
Tools and equipment	2 - 4
Quarry development costs	6 - 20

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment (Continued)

No depreciation is charged on land and capital work-in-progress. The depreciation charge for each period is recognized in the condensed interim statement of comprehensive income.

The estimated useful lives, residual values and depreciation method are reviewed and adjusted if appropriate at each reporting date. An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount.

Gain or loss arising on disposal of any item of property and equipment (calculated as the difference between the net disposal proceeds, and the carrying amount of the asset) is recognized in the condensed interim statement of comprehensive income.

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 recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company'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, on the same basis as other property assets, commences when the assets are ready for their intended use.

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Six Months Period Ended 30 June 2020

5. PROPERTY, PLANT AND EQUIPMENT

a) The details of this item are as follows :

	Land & Building AED	Plant And Machinery AED	Furniture and Fixtures AED	Vehicles and Mobile Plant AED	Tools And Equipment AED	Quarry Development Cost AED	Capital Work In Progress AED	Total AED
Cost :								
At 1 January 2019	158,770,312	1,987,480,310	3,431,329	27,439,477	12,949,772	30,918,672	1,901,834	2,222,891,706
Additions during the year	41,800	17,037,732	99,937	1,815,413	162,665	380,453	1,925,057	21,463,057
Disposals during the year	--	--	--	(347,400)	--	--	--	(347,400)
Transfers	--	1,256,548	--	--	--	650,000	(1,906,548)	--
Balance at 31 December 2019	158,812,112	2,005,774,590	3,531,266	28,907,490	13,112,437	31,949,125	1,920,343	2,244,007,363
Additions during the period	--	16,627,736	8,195	945,000	14,172	--	925,350	18,520,453
Disposals during the period	--	--	--	(78,000)	--	--	--	(78,000)
Transfers	1,289,524	133,333	--	--	--	--	(1,422,857)	--
Balance at 30 June 2020	160,101,636	2,022,535,659	3,539,461	29,774,490	13,126,609	31,949,125	1,422,836	2,262,449,816
Accumulated Depreciation :								
At 1 January 2019	39,594,671	899,315,644	2,949,339	25,286,040	12,518,021	23,145,667	--	1,002,809,382
Addition during the year	4,782,817	45,174,736	228,103	982,861	257,616	827,374	--	52,253,507
Disposals during the year	--	--	--	(343,617)	--	--	--	(343,617)
Balance at 31 December 2019	44,377,488	944,490,380	3,177,442	25,925,284	12,775,637	23,973,041	--	1,054,719,272
Addition during the period	2,423,895	22,984,522	111,277	684,240	107,537	463,041	--	26,774,512
Disposals during the period	--	--	--	(77,999)	--	--	--	(77,999)
Balance at 30 June 2020	46,801,383	967,474,902	3,288,719	26,531,525	12,883,174	24,436,082	--	1,081,415,785
Net Book Value :								
At 30 June 2020 - Exhibit A (Unaudited)	113,300,253	1,055,060,757	250,742	3,242,965	243,435	7,513,043	1,422,836	1,181,034,031
At 31 December 2019 - Exhibit A (Audited)	114,434,624	1,061,284,210	353,824	2,982,206	336,800	7,976,084	1,920,343	1,189,288,091

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- b) Part of the Company's buildings, plant and machinery are constructed/erected on land obtained on lease from the Government of Fujairah.
- c) Vehicles and mobile plant of AED. 29,774,490 (2019 : AED. 28,907,490) mentioned above include motor vehicles of AED. 1,330,044 (Net book value: AED. 36,470) are mortgaged against their purchase finance.
- d) Registered chattel mortgage (being executed) over the Waste Heat Recovery captive power plant expansion project and assignment of insurance policy covering the project in favour of the bank against a term loan (Note 16).
- e) Insurance policy covering movable assets are assigned in favor of a bank against a term loan (Note 16).
- f) Commercial mortgage over thermal power plant and assignment of insurance policies covering the cement factory and thermal power plant and assignment of leasehold rights over the land on which the thermal power plant is located are provided as securities against term loans and bank borrowings (Note 16).
- g) Depreciation is fully charged to cost of sales.
- h) Cost of fully depreciated property, plant and equipment that was still in use , at the end of the reporting period , amounted to AED. 355,311,789 (2019 : AED. 354,131,109).
- i) Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 16).

6. RIGHT-OF-USE ASSET

The movement of the right-of-use asset is summarized as follows :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Cost :		
Balance at 1 January	132,403,222	132,403,222
Depreciation :		
Balance at 1 January	9,489,034	--
Charged for the period/year	4,744,517	9,489,034
Balance	14,233,551	9,489,034
Net book Value –Exhibit A	118,169,671	122,914,188

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Six Months Period Ended 30 June 2020

7. INVENTORIES

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Raw Materials	15,476,791	11,841,898
Semi-finished products	165,276,551	180,413,316
Finished products	3,444,064	2,399,306
Total	184,197,406	194,654,520
Spare parts	137,558,224	149,499,194
Allowance for slow-moving spare parts	(24,000,000)	(24,000,000)
Net	113,558,224	125,499,194
Buring media	144,414,277	76,658,683
Bags and packing material	769,843	727,877
Total	145,184,120	77,386,560
Good-in-transit	2,232,095	1,053,949
Total – Exhibit A	445,171,845	398,594,223

8. TRADE RECEIVABLES

a) This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Trade receivables	217,982,037	220,414,428
Provision for impairment of trade receivables	(2,004,656)	(2,004,656)
Net amount – Exhibit A	215,977,381	218,409,772
Coverage :		
Trade receivables against BG and L/C's	107,055,836	115,699,168
Trade receivables	108,921,545	102,710,604
Total – Exhibit A	215,977,381	218,409,772

b) Assignment of collection rights of trade receivables are assigned against bank borrowings (Note 16).

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Six Months Period Ended 30 June 2020

9. ADVANCES AND OTHER RECEIVABLES

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Prepayments	7,206,544	595,843
Advances to suppliers	6,549,146	5,056,134
Other receivables	652,932	993,060
Tax receivable	155,919	--
Total - Exhibit A	14,564,541	6,645,037

10. CASH AND BANK BALANCES

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Cash in hand	140,441	155,838
Bank balances - Current accounts	3,101,007	40,797,947
Total – Exhibit A	3,241,448	40,953,785

11. SHARE CAPITAL

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Authorized share capital is 355,865,320 ordinary shares of AED. 1 each fully paid – Exhibit A	355,865,320	355,865,320

12. STATUTORY RESERVE

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	161,750,412	160,876,827
Add: Transferred from profit for the period/year	--	873,585
Balance at the end of the period/year - Exhibit C	161,750,412	161,750,412

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Six Months Period Ended 30 June 2020

12. STATUTORY RESERVE (CONTINUED)

In accordance with UAE Federal Law No. (2) of 2015 and Company's Articles of Association, 10% of the profit of each year is to be appropriated to a statutory reserve. Transfer may be discounted when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution except in the circumstances stipulated by the law.

13. VOLUNTARY RESERVE

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the end of the period/year- Exhibit C	222,536,002	222,536,002

In prior years, 10% of the profit was appropriated to a voluntary reserve. This reserve is distributable when approved by a shareholders' resolution based on the recommendation of the Board of Directors in accordance with UAE Federal Law No. (2) of 2015 and the Company's Articles of Association.

14. EMPLOYEES END OF SERVICE BENEFITS

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	14,220,332	15,977,927
Charge for the period/year	578,706	1,893,863
Paid during the period/year	(341,519)	(2,025,864)
Reversal of excess provision	--	(1,625,594)
Balance at the end of the period/year - Exhibit A	14,457,519	14,220,332

15. LEASE LIABILITIES

The details of lease liabilities during the period/year are as follows :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	133,986,020	140,016,064
Lease liabilities for the period/year	2,239,683	4,593,406
Payment during the period/year	--	(10,623,450)
Balance at the end of the period/year	136,225,703	133,986,020
Non-Current -Exhibit A	125,389,785	123,150,102
Current -Exhibit A	10,835,918	10,835,918
Total	136,225,703	133,986,020

16. BANK BORROWINGS

a) Term bank loans

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	379,133,032	338,181,998
Received during the period/year	--	101,752,488
Repaid during the period/year	(25,723,996)	(60,801,454)
Balance at the end of the period/year	353,409,036	379,133,032
Non-Current portion –Note 16(c)(i)	279,767,290	312,850,828
Current portion – Note 16(c)(ii)	73,641,746	66,282,204
Total	353,409,036	379,133,032

b) Other bank borrowings

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Trust receipts	169,236,672	140,424,224
Short terms loans	143,000,000	168,000,000
Overdrafts	11,391,677	--
Total - Note 16(c)(ii)	323,628,349	308,424,224

16. BANK BORROWINGS (CONTINUED)

c) The details of the bank borrowings are as follows :

i) Bank borrowings Non-current portion

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
In the second year	60,917,078	66,167,078
In the third to five years	186,424,595	203,449,594
After five years	32,425,617	43,234,156
Total – Exhibit A	279,767,290	312,850,828

ii) Bank borrowings Current portion

This item consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Current portion of term bank loans - Note 16(a)	73,641,746	66,282,204
Other bank loans – Note 16(b)	323,628,349	308,424,224
Total – Exhibit A	397,270,095	374,706,428
Total Bank borrowings [a + b]	677,037,385	687,557,256

iii) Bank borrowings are secured by:

- Registered charge over Thermal Power Plant (including machinery).
- Registered chattel mortgage (being executed) over the Waste Heat Recovery based captive power plant expansion project
- Assignment of insurance policy for AED. 437 million covering factory on a pari passu basis.
- Assignment of insurance policy for AED. 236.9 million covering the Thermal Power Plant.
- Assignment of insurance policy for AED. 124.2 million covering the Waste Heat Recovery based captive power plant expansion project.
- Assignment of insurance policies covering moveable assets on pari passu basis
- Assignment of leasehold rights (between the Company & Dibba Municipality) over the land on which the Thermal Power Plant is located.
- Hypothecation of certain vehicles.
- Assignment of insurance policy over inventories on pari passu basis.
- General assignments of trade receivables in favor of the bank.
- Registered mortgage and assignment of insurance policy over specific machinery upgraded.
- Promissory note.

17. TRADE AND OTHER PAYABLES

This items consists of the following :

	30 June 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Trade payables	115,773,233	89,967,643
Retentions payable	--	79,000
Dividends payable	3,970,174	3,971,953
Advanced received from customers	1,024,469	2,911,596
Accrued expenses	22,521,658	10,008,986
Accrued interest payables	5,328,825	3,568,944
Tax payable	--	129,529
Others	256,741	689,436
Total – Exhibit A	148,875,100	111,327,087

18. REVENUE

This items consists of the following :

	Six months period ended		Three months period ended	
	30 June 2020 (Unaudited) AED	30 June 2019 (Unaudited) AED	30 June 2020 (Unaudited) AED	30 June 2019 (Unaudited) AED
Sales :				
Within UAE	121,278,082	133,973,695	44,730,982	57,470,616
Outside - UAE - GCC	76,888,377	146,819,860	30,428,082	66,660,051
Others	32,631,879	13,517,248	11,567,007	13,517,248
Total – Exhibit B	230,798,338	294,310,803	86,726,071	137,647,915

19. OTHER INCOME

This items consists of the following :

	Six months period ended		Three months period ended	
	30 June 2020 (Unaudited) AED	30 June 2019 (Unaudited) AED	30 June 2020 (Unaudited) AED	30 June 2019 (Unaudited) AED
Reversal of excess provision for employees end of service benefits	--	1,625,594	--	--
Gain on disposal of property, plant and equipment	62,999	25,198	--	--
Accounts payable written off	--	1,269,000	--	--
Miscellaneous income	1,076,330	1,034,864	241,099	382,705
Total – Exhibit B	1,139,329	3,954,656	241,099	382,705

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For the Six Months Period Ended 30 June 2020

20. BASIC (LOSS)/EARNINGS PER SHARE

This items consists of the following :

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30 June 2020</u>	<u>30 June 2019</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
(Loss)/profit for the period (AED)	(28,151,191)	7,747,299	(11,839,682)	6,651,073
Number of shares (Share)	355,865,320	355,865,320	355,865,320	355,865,320
Basic (loss)/earnings per share (AED per share) – Exhibit B	<u>(0.079)</u>	<u>0.021</u>	<u>(0.033)</u>	<u>0.018</u>

21. CASH AND CASH EQUIVALENTS

At 30 June 2020 and 2019 “cash and cash equivalents” included in the condensed interim statement of cash flows (Exhibit D) comprise the following items :

	<u>Six months period ended</u>	
	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>
Cash on hand	140,441	136,880
Bank balances -Current accounts	3,101,007	14,051,461
Total - Exhibit D	<u>3,241,448</u>	<u>14,188,341</u>

22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company enters into various transactions with related parties. Related parties represent main shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the Company’s management.

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
• Balances due from related parties (included in trade receivables)	2,239,584	1,354,823
• Balances due to related parties (included in trade and other payables)	543,100	951,716

22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

- The following are the details of significant related parties transactions :

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30 June 2020</u>	<u>30 June 2019</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED	AED	AED	AED
Sales	2,208,510	1,641,115	1,015,402	681,723
Construction of property, plant and equipment	666,475	—	—	—
Purchases / Services Contracts	967,054	1,305,000	928,280	405,000

The remuneration, salaries and other benefits of Board of Directors and other members of key management during the period were as follows :

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30 June 2020</u>	<u>30 June 2019</u>	<u>30 June 2020</u>	<u>30 June 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED	AED	AED	AED
Key management remuneration	1,844,750	2,519,621	798,366	958,097
Remuneration to the board of directors (as approved in the Shareholder General Assembly)	—	1,222,650	—	1,222,650

Remuneration to the Board of Directors for the year 2019, approved in the Annual General Meeting held on 18 June 2020 amounts to AED. Nil (2018 : AED. 1,222,650).

23. CONTINGENT LIABILITIES AND COMMITMENTS

i) *Contingent liabilities*

Except for ongoing business obligations which are under normal course of business, there has been no other known contingent liability on the Company's condensed interim financial statements as of the reporting date.

ii) *Commitments*

	<u>30 June 2020</u>	<u>31 December 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	AED	AED
Commitments for the purchase of property, plant and equipment	657,000	1,059,362