

**National Cement Company
(Public Shareholding Co.)
UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS**

30 JUNE 2024

Report on Review of Interim Condensed Financial Statements To the Shareholders of National Cement Company (Public Shareholding Co.)

Introduction

We have reviewed the accompanying interim condensed financial statements of National Cement Company (Public Shareholding Co.) (the "Company") comprising the interim statement of financial position as at June 30, 2024, and the related interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related interim statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed 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 condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matters

- i. The interim condensed financial statements of the Company for the six-month period ended June 30, 2023 were reviewed by another auditor who expressed an unmodified conclusion on those statements on August 11, 2023.
- ii. The financial statements of the Company for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2024.

Emphasis of a Matter

We draw attention to Note 11 to the interim condensed financial statements, which describes the current situation and environment in Sudan and the management's assessment thereon. Our conclusion is not modified in respect of this matter.

**GRANT THORNTON UAE****Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates****08 AUG 2024**

National Cement Company (Public Shareholding Co.)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended		Three months ended	
		30 June 2024 AED'000 (Unaudited)	30 June 2023 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)	30 June 2023 AED'000 (Unaudited)
Revenue		91,271	85,998	35,962	43,600
Direct costs	3	(89,895)	(91,213)	(36,056)	(42,231)
GROSS PROFIT/(LOSS)		1,376	(5,215)	(94)	1,369
Other operating income	4	4,865	4,201	2,273	2,364
Administration and general expenses	5	(13,171)	(23,136)	(7,234)	(17,846)
Selling and distribution expenses		(2,195)	(2,251)	(1,009)	(1,135)
OPERATING LOSS		(9,125)	(26,401)	(6,064)	(15,248)
Finance income	6	621	1,731	443	868
Finance cost		(346)	(3,547)	(264)	(1,892)
Dividend income from equity investments	9	135,978	70,427	4,118	6,504
Net change in fair value of debt instruments at FVTPL	9	1,570	1,963	961	(585)
Fair value of debt instruments at FVOCI recycled to profit and loss on derecognition		-	(3,749)	-	-
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX		128,698	40,424	(806)	(10,353)
Income tax expense		-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD		128,698	40,424	(806)	(10,353)
Other comprehensive income					
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>					
Net change in fair value of equity instruments at FVOCI	9	270,106	303,131	116,939	154,410
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Net change in fair value of debt instruments at FVOCI	9	(926)	(6,147)	240	289
Fair value of debt instruments at FVOCI recycled to profit and loss on disposal		-	3,749	-	-
Other comprehensive income for the period		269,180	300,733	117,179	154,699
Total comprehensive income for the period		397,878	341,157	116,373	144,346
Earnings per share					
Basic and diluted earnings per share (AED)	17	0.36	0.11	-	(0.03)

The attached notes 1 to 22 form part of these interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

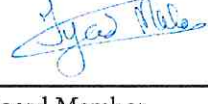
INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 AED '000 (Unaudited)	31 December 2023 AED '000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	137,290	143,674
Intangible assets		651	1,006
Investment properties	8	2,924	2,924
Investments in financial assets	9	1,686,257	1,407,961
Loan receivable from an associate	11	288,213	288,213
Total non-current assets		2,115,335	1,843,778
Current assets			
Investments in financial assets	9	5,773	13,235
Inventories	12	73,994	69,419
Trade and other receivables	13	129,577	121,249
Advances and other receivables		7,107	2,105
Bank balances and cash	15	92,071	40,894
Total current assets		308,522	246,902
TOTAL ASSETS		2,423,857	2,090,680
EQUITY AND LIABILITIES			
Equity			
Share capital		358,800	358,800
Share application money		26	26
Statutory reserve		179,402	179,402
General reserve		313,323	313,323
Fair value reserve of financial assets at FVOCI		1,375,721	1,106,541
Retained earnings		131,499	56,621
Total equity		2,358,771	2,014,713
Non-current liabilities			
Employees' end of service benefits		18,175	18,788
		18,175	18,788
Current liabilities			
Bank borrowings		18,336	20,000
Trade and other payables	16	28,575	37,179
		46,911	57,179
Total liabilities		65,086	75,967
TOTAL EQUITY AND LIABILITIES		2,423,857	2,090,680

These interim condensed financial statements were authorised for issue by the Board of Directors on 08 AUG 2024 and signed by:


Board Member


Board Member

The attached notes 1 to 22 form part of these interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital AED'000	Share application money AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve of financial assets at FV/OCI AED'000	Retained earnings AED'000	Total equity AED'000
Balance as at 1 January 2023 (Audited)	358,800	26	179,402	313,323	803,726	(7,797)	1647,480
Profit for the period	-	-	-	-	-	40,424	40,424
Other comprehensive income for the period	-	-	-	-	300,733	-	300,733
Total comprehensive income for the period	-	-	-	-	300,733	40,424	341,157
As at 30 June 2023 (Unaudited)	358,800	26	179,402	313,323	1,104,459	32,627	1,988,637
Balance as at 1 January 2024 (Audited)	358,800	26	179,402	313,323	1,106,541	56,621	2,014,713
Profit for the period	-	-	-	-	-	128,698	128,698
Other comprehensive income for the period	-	-	-	-	269,180	-	269,180
Total comprehensive income for the period	-	-	-	-	269,180	128,698	397,878
Dividends (Note 21)	-	-	-	-	-	(53,820)	(53,820)
As at 30 June 2024 (Unaudited)	358,800	26	179,402	313,323	1,375,721	131,499	2,358,771

The attached notes 1 to 22 form part of these interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

		<i>Six months ended 30 June</i>	
	<i>Notes</i>	<i>2024 AED '000 Unaudited</i>	<i>2023 AED '000 Unaudited</i>
OPERATING ACTIVITIES			
Profit for the period		128,698	40,424
<i>Adjustments for:</i>			
Depreciation and amortisation		9,260	9,142
Reduction in value of a financial asset at amortized cost	14	-	11,873
Change in fair value of financial assets at fair value through profit and loss	9	(1,570)	(1,963)
Loss on disposal of property, plant and equipment		(2)	(5)
Fair value of debt instruments at FVOCI recycled to profit and loss		-	3,749
Provision for employees' end of services benefits		794	1,497
Dividend income	9	(135,978)	(70,427)
Finance income	6	(621)	(1,731)
Finance cost		346	3,547
Operating profit/(loss) before working capital changes		927	(3,894)
<i>Working capital changes:</i>			
Inventories		(4,575)	(1,664)
Trade and other receivables		(8,328)	(19,508)
Advances and other receivables		(5,002)	2,581
Trade and other payables		(8,604)	(17,008)
Cash used in operating activities		(25,582)	(39,493)
Employees' end of service benefits paid		(1,407)	(2,181)
Net cash flows used in operating activities		(26,989)	(41,674)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(2,525)	(961)
Proceeds from sale of property, plant and equipment		6	5
Investments in financial assets	9	(8,138)	(3,671)
Proceeds from maturity/disposals of financial assets	9	8,054	4,486
Placement of fixed deposits		(70,000)	(25,000)
Dividend received	9	135,978	70,427
Interest received		621	1,731
Net cash flows from investing activities		63,996	47,017
FINANCING ACTIVITIES			
Proceeds from bank borrowings		15,000	173,605
Repayment of bank borrowings		(20,000)	(183,151)
Finance cost paid		(346)	(3,547)
Dividend paid		(53,820)	-
Net cash flows used in financing activities		(59,166)	(13,093)
Net change in cash and cash equivalents		(22,159)	(7,750)
Cash and cash equivalents at the beginning of the period		20,894	16,976
Cash and cash equivalents at the end of the period	15	(1,265)	9,226

The attached notes 1 to 22 form part of these interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

1 BACKGROUND AND PRINCIPAL ACTIVITIES

National Cement Company (Public Shareholding Co.) ("the Company"), is registered in accordance with the decree issued by His Highness Ruler of Dubai on 10 April 1968 establishing a cement company in the Emirate of Dubai, United Arab Emirates and is governed in accordance with the provisions of the UAE Federal Law No 32. Of 2021. The Company is listed on the Dubai Financial Market ("DFM"). The registered address of the Company is P.O. Box 4041, Dubai, United Arab Emirates.

The principal activity of the Company is to manufacture and sell cement and cement related products

Federal Law by Decree no. 32 of 2021, which repeals and replaces Federal Law no. 2 of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021, and is effective from 2 January 2022. The Company is still in the process of amending its Articles of Association in line with the new provisions as required by the Federal law by Decree no. 32 of 2021.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements for the six-month ended 30 June 2024 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2023. In addition, the results for the six-month period ended 30 June 2024 may not be indicative of the results that may be expected for the financial year ending 31 December 2024.

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

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

When preparing the interim condensed financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

2.2 New standards, interpretations and amendments adopted by the Company

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

Several amendments apply for the first time in 2024 and have therefore been adopted by the Company. However, these amendments do not have any significant impact on the interim condensed financial statements of the Company, and therefore, further disclosures have not been made

2.3 Fair value measurement

All financial assets and liabilities are stated at amortized cost or historical cost except for investments in financial assets that are measured at fair value. The fair values of other financial assets and the financial liabilities are not materially different from their carrying values at the reporting date.

National Cement Company (Public Shareholding Co.)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 June 2024

3 DIRECT COSTS

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
Material cost	49,652	53,186
Utilities and other factory costs	20,835	18,129
Staff cost	10,806	10,275
Depreciation of property, plant and equipment	8,602	8,421
Write-off of inventories	-	1,202
	<u>89,895</u>	<u>91,213</u>

4 OTHER OPERATING INCOME

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
Rental income from investment properties	1,946	1,677
Sale of scrap and other non-trading materials	1,534	1,367
Other rental income	1,172	988
Others	213	169
	<u>4,865</u>	<u>4,201</u>

5 ADMINISTRATION AND GENERAL EXPENSES

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
Staff cost	7,447	6,462
Directors' remuneration (Note 14)	2,450	-
Office expenses	1,591	2,269
Amortisation of intangible asset	354	354
Depreciation of property, plant and equipment	304	367
Bank charges	30	78
Reduction in value on financial assets at amortised cost (Note 14)	-	11,873
Other	995	1,733
	<u>13,171</u>	<u>23,136</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

6 FINANCE INCOME

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
Interest income on investments in financial assets (debt instruments)	621	1,731

7 PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2024, additions to property, plant and equipment amounted to AED 2,525 thousand (2023: AED 961 thousand) and AED 11 thousand were disposed of during the period (2023: AED 39 thousand). Depreciation charge for the period amounted to AED 9.26 million (2023: AED 9.142 million).

8 INVESTMENT PROPERTIES

Investment properties comprise land and villas constructed thereon. No investment properties were bought or sold during the current period and no depreciation was charged as the assets are fully depreciated. Land is not depreciated.

The fair value of investment properties is estimated to be AED 90 million based on a valuation performed by Dubai Land Department in March 2024 and AED 43 million as per an internal valuation carried out by management at 31 December 2023.

9 INVESTMENTS IN FINANCIAL ASSETS

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Current assets		
Investments at FVOCI	5,479	6,443
Investments at FVTPL	294	6,792
	<u>5,773</u>	<u>13,235</u>
Non-current assets		
Investments at FVOCI	1,677,188	1,403,400
Investments at FVTPL	9,069	4,561
	<u>1,686,257</u>	<u>1,407,961</u>
	<u>1,692,030</u>	<u>1,421,196</u>

The categories of investments in financial assets are as follows:

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Quoted equity instruments – at fair value	1,670,001	1,396,252
Debt instruments – at fair value	22,029	24,944
	<u>1,692,030</u>	<u>1,421,196</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

9 INVESTMENTS IN FINANCIAL ASSETS (continued)

The Company has an investment, through an unquoted equity instrument, in a cement plant under construction outside the UAE. The investment is being carried at Fair Value through Other Comprehensive Income and is classified as Level 3 within the fair value hierarchy. The Company was not able to obtain a reliable fair valuation as per its accounting policies in order to determine the fair value of the investment due to the non-conductive situation in the country of investment. Accordingly, based on management's judgement, the fair value is fully written-down at 30 June 2024 (2023: fully written-down).

Investments in financial assets amounting to AED 1,107,714 thousand (31 December 2023: AED 861,073 thousand) are pledged with banks against loans and borrowings (Note 17).

The Company has received dividend income amounting to AED 135,978 thousand from equity investments during the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: AED 70,427 thousand).

The movement in investments in financial assets during the period was as follows:

<i>Six months ended 30 June 2024 (Unaudited)</i>				
	<i>Debt instruments at FVOCI AED'000</i>	<i>Debt instruments at FVTPL AED'000</i>	<i>Equity instruments at FVOCI AED'000</i>	<i>Total AED'000</i>
At the beginning of the period	13,591	11,353	1,396,252	1,421,196
Additions during the period	-	4,495	3,643	8,138
Matured/redeemed	-	(8,054)	-	(8,054)
Change in fair value	(926)	1,570	270,106	270,750
At the end of the period	12,665	9,364	1,670,001	1,692,030

<i>Six months ended 30 June 2023 (Unaudited)</i>				
	<i>Debt instruments at FVOCI AED'000</i>	<i>Debt instruments at FVTPL AED'000</i>	<i>Equity instruments at FVOCI AED'000</i>	<i>Total AED'000</i>
At the beginning of the period	19,095	13,917	1,092,477	1,125,489
Additions during the period	-	-	3,671	3,671
Matured/redeemed	-	(4,486)	-	(4,486)
Change in fair value	(6,147)	1,963	303,131	298,947
At the end of the period	12,948	11,394	1,399,279	1,423,621

The investments in financial assets by geography are as follows:

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
United Arab Emirates	1,555,295	1,268,110
Saudi Arabia	131,646	146,011
Other countries	5,089	7,075
	1,692,030	1,421,196

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

10 INVESTMENT IN AN ASSOCIATE

Investment in an associate represents 25.43 % (2023: 25.43%) share in Berber Cement Company Ltd, a limited liability company registered in the Republic of Sudan. The principal activity of the associate is to manufacture and sell cement. The Company's interest in Berber Cement Company Ltd is accounted for using the equity method in interim condensed financial statements.

On 15 April 2023, an armed conflict between rival factions of the military government of Sudan began, from which the associate company is located, the impact of the economic environment remains unstable and may pose serious consequences, as well as the possibility of a prolonged economic downturn.

In prior periods, the Company had accounted for the investment after taking account of the effect of hyperinflationary economy and of using uniform accounting policies while preparing the financial statements of the associate. Furthermore, the Company has fully provided for the investment in the associate. The Company has no further obligation towards the losses, exceeding the face value of equity shares held.

11 LOAN RECEIVABLE FROM ASSOCIATE

The loan of AED 288 million, net of AED 28 million reduction in value, as at 30 June 2024 and 31 December 2023 represents AED denominated loan given to the associate and was recoverable by October 2019. The interest rate on this loan is charged at the rate of 3-month EIBOR + 3% per annum. The Company has set aside the interest associated with the loan amounting to AED 15,622 thousand for the period ended 30 June 2024 (2023: AED 6,662 thousand) due to the unrest in Sudan and the irregular transfer of funds.

On 15 April 2023, an armed conflict between rival factions of the military government of Sudan began, from which the associate is located, the impact of the economic environment remains unstable and may pose serious consequences, as well as the possibility of a prolonged economic downturn.

At 31 December 2023, management had performed a remeasurement on the loan and evaluated the associate's ability to repay the loan based on the specific factors that includes the payment pattern during and subsequent to the reporting period, existence of adequate and sufficient securities against the loan, and proposed amendment of the loan agreement with revised repayment schedule, which is expected to be formalized in the near future. As per the Company's accounting policies, the management has considered the possible impact of the current conflict on delaying the future payments, and accordingly, disclosed the loan balance as a non-current asset in view of this consideration.

Management has taken into account all indicators, future events and developments and assessed the impact on its operations, cash flows, and financial condition. Management believes that these events had not changed the existence and valuation of the securities covering the loan amount as the factory is still operating and located far from the armed conflict area.

12 INVENTORIES

	30 June 2024 AED '000 (Unaudited)	31 December 2023 AED '000 (Audited)
Work in progress	26,401	19,739
Raw materials	18,539	19,241
Finished goods	1,538	2,377
Consumable and spare parts	28,961	29,507
Provision for slow moving inventories	(1,445)	(1,445)
	73,994	69,419

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

13 TRADE AND OTHER RECEIVABLES

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Trade receivables		
Receivables from third party customers	121,109	122,972
Less: allowance for expected credit losses	(12,379)	(12,379)
	<u>108,730</u>	<u>110,593</u>
Other related parties (Note 14)	17,904	8,330
	<u>126,634</u>	<u>118,923</u>
Other receivables	2,943	2,326
	<u>129,577</u>	<u>121,249</u>

14 RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the ordinary course of its business, enters into trading and financing transactions with entities which fall within the definition of "related party" as contained in International Accounting Standard 24. Management believes that the terms of the trading transactions are not materially different from those that could have been obtained from unrelated parties. The significant related party transactions during the period are as follows:

a. Significant transactions with related parties:

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
<i>Associate</i>		
Suspended interest	15,622	14,074
Payment on behalf of associate	9,836	-
Reduction in the value of loan to associate	-	11,873
<i>Other related parties</i>		
Sale of cement	8,272	4,044
Purchase of materials and services	(11)	(23)

b. Compensation of key management personnel

The remuneration of directors and other key members of management during the period was as follows:

	<i>Six months ended</i>	
	<i>30 June 2024 AED '000 Unaudited</i>	<i>30 June 2023 AED '000 Unaudited</i>
Salaries and other short-term benefits	1,417	1,592
Directors' remuneration (Note 5)	2,450	-
End of service benefits	76	87
	<u>3,943</u>	<u>1,679</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c. Due from related parties

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Loan to associate		
Non-current portion of the loan	316,000	316,000
Accrued interest	59,948	44,325
Less: suspended interest and reduction in value	(87,735)	(72,112)
	<u>288,213</u>	<u>288,213</u>
	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Trade and other receivables		
Other related parties	7,134	7,396
Associate current account	10,770	934
	<u>17,904</u>	<u>8,330</u>

d. Due to related parties

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Associate (Note 16)	-	9,350

15 CASH AND CASH EQUIVALENTS

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Cash in hand	189	156
Cash at banks – fixed deposits	90,000	20,000
Cash at banks – current accounts	1,882	20,738
Bank balances and cash	<u>92,071</u>	<u>40,894</u>
Less: fixed deposits with initial maturity of more than 3 months	(90,000)	(20,000)
Less: bank overdraft	(3,336)	-
Cash and cash equivalents	<u>(1,265)</u>	<u>20,894</u>

* Fixed deposits carry interest at commercial rates and have an initial maturity of 1 year

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

16 TRADE AND OTHER PAYABLES

	<i>30 June 2024 AED '000 (Unaudited)</i>	<i>31 December 2023 AED '000 (Audited)</i>
Trade payables	11,625	15,965
Accrued expenses and other payables	9,933	5,991
Accruals for employee benefits	5,131	5,131
Advances	1,773	717
Accrued interest	113	25
Due to related parties (Note 14)	-	9,350
	<u>28,575</u>	<u>37,179</u>

17 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Company of AED 128,697 thousand (2023: profit of AED 40,424 thousand) by the weighted average number of shares outstanding during the period of 358,800 thousand shares (2023: 358,800 thousand shares).

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

18 SEGMENT REPORTING

The Company's activities comprise two main business segments: 1) manufacturing and selling cement and related products and 2) investments in financial assets, properties and associate. The details of segment revenue, result, assets and liabilities have been provided below:

30 June 2024 (Unaudited)

	<i>Six months ended 30 June 2024 (Unaudited)</i>			<i>Six months ended 30 June 2023 (Unaudited)</i>		
	<i>Cement AED '000</i>	<i>Investments AED '000</i>	<i>Total AED '000</i>	<i>Cement AED '000</i>	<i>Investments AED '000</i>	<i>Total AED '000</i>
Revenue	91,271	-	91,271	85,998	-	85,998
Direct costs	(81,293)	-	(81,293)	(82,792)	-	(82,792)
Depreciation & amortization	(9,261)	-	(9,261)	(9,142)	-	(9,142)
Administration, selling and general expenses	(14,708)	-	(14,708)	(12,793)	(11,873)	(24,666)
Other operating income	1,747	3,118	4,865	1,536	2,665	4,201
Finance cost	(346)	-	(346)	(3,547)	-	(3,547)
Finance income	-	621	621	-	1,731	1,731
Dividend income	-	135,978	135,978	-	70,427	70,427
Others	-	1,570	1,570	-	(1,786)	(1,786)
Segment (loss)/profit	<u>(12,590)</u>	<u>141,287</u>	<u>128,697</u>	<u>(20,740)</u>	<u>61,164</u>	<u>40,424</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

18 SEGMENT REPORTING (continued)

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cement AED '000	Investments AED '000	Total AED '000	Cement AED '000	Investments AED '000	Total AED '000
Segment assets*	348,619	1,983,167	2,331,786	337,453	1,712,333	2,049,786
Segment liabilities	65,086	-	65,086	75,967	-	186,383
Capital expenditure	2,525	-	2,525	3,312	-	3,312

* Cash and bank balances are not allocated to individual segments as these are managed and utilized as needed.

Additional information required by IFRS 8 *Segment Reporting*, is disclosed below:

a) Information about geographical segments

All the sales of the Company for the six months period ended 30 June 2024 and six-month period ended 30 June 2023 is within UAE.

b) Major customers

During the six months period ended 30 June 2024, there was one customer (2023: one customer) with revenues greater than 10% of the total revenue of the Company.

19 CONTINGENCIES LIABILITIES

	30 June 2024 AED '000 (Unaudited)	31 December 2023 AED '000 (Audited)
Bank guarantees	1,624	1,587

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Company's financial assets that are carried at fair value at the reporting date:

30 June 2024 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Quoted equity instruments at FVOCI	1,670,001	-	-	1,670,001
Quoted debt instruments at FVOCI	-	12,665	-	12,665
Quoted debt instruments at FVTPL	-	9,364	-	9,364
Total	1,670,001	22,029	-	1,692,030

30 June 2023 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Quoted equity instruments at FVOCI	1,399,279	-	-	1,399,279
Quoted debt instruments at FVOCI	-	12,948	-	12,948
Quoted debt instruments at FVTPL	-	11,394	-	11,394
Total	1,399,279	24,342	-	1,423,621

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2024

21 DIVIDENDS

The shareholders, in their general assembly meeting on 25 April 2024, approved the Board of Directors' recommendation to distribute cash dividends of AED 53,820 thousand representing 0.15 fils per share (2023: Nil).

22 CORPORATE INCOME TAX

The Company became taxable effective 1 January 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000. However, no current income tax expense has been recorded by the Company for the six months ended 30 June 2024 on the basis that the Company incurred taxable losses.

Based on the information available to the issuance of the interim condensed financial statements, management, with the support of tax consultant, assessed the deferred tax implication on the Company and concluded that it is not significant as at the period ended 30 June, 2024. As certain other cabinet decisions are pending as of the date of the issuance of these interim condensed financial statements, the Company will continue to assess these pending cabinet decisions on deferred taxes as and when finalised and published.