

**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**  
**A PUBLIC SHAREHOLDING COMPANY**  
**UMM AL QAIWAIN**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM FINANCIAL**  
**INFORMATION AND REVIEW REPORT**  
**FOR THE NINE-MONTH PERIOD ENDED**  
**SEPTEMBER 30, 2015**

**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**  
**A PUBLIC SHAREHOLDING COMPANY**  
**UMM AL QAIWAIN**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM FINANCIAL INFORMATION AND REVIEW REPORT**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**

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## Report on Review of Condensed Interim Financial Information

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**Messrs Umm Al Qaiwain Cement Industries Co.**  
**A Public Shareholding Company**  
**Umm Al Qaiwain - United Arab Emirates.**

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of **Umm Al Qaiwain Cement Industries Co. (a public shareholding company) – Umm Al Qaiwain** as at September 30, 2015 and the related condensed statements of income, comprehensive income, changes in shareholders' equity and cash flows for the nine-month period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard No. 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 is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "*Interim Financial Reporting*".

**TALAL ABU-GHAZALEH & CO. INTERNATIONAL**  
**TALAT ZABEN**  
**LICENSED AUDITOR NO. 68**

Umm Al Qaiwain,  
November 12, 2015

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**UMM AL QAIWAIN CEMENT INDUSTRIES CO.**  
**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**  
**UNITED ARAB EMIRATES**

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2015 (UNAUDITED)**

**EXHIBIT A**

| ASSETS  | Notes | September 30,<br>2015<br>(Unaudited)<br>AED | December 31,<br>2014<br>(Audited)<br>AED | September 30,<br>2014<br>(Unaudited)<br>AED |
|---|-------|---|--|---|
| <b>Non-current assets</b>   |       |   |  |   |
| Land  |       | 159,932,441                                 | 159,932,441                              | 159,932,441                                 |
| Property, plant and equipment   | 3     | 6,394,397                                   | 10,148,806                               | 11,417,971                                  |
| Investments at fair value through other comprehensive income (FVTOCI) | 4     | 412,136,166                                 | 475,113,772                              | 454,585,350                                 |
| <b>Total non-current assets</b>                                       |       | <b>578,463,004</b>                          | <b>645,195,019</b>                       | <b>625,935,762</b>                          |
| <b>Current assets</b>   |       |   |  |   |
| Investments at fair value through profit and loss (FVTPL)             | 5     | 89,172,123                                  | 101,069,797                              | 122,200,846                                 |
| Inventories   |       | 3,509,382                                   | 8,117,233                                | 5,121,345                                   |
| Trade accounts receivable and others                                  |       | 1,547,454                                   | 5,070,629                                | 7,231,151                                   |
| Cash and cash equivalents   | 6     | 1,865,165                                   | 565,304                                  | 578,583                                     |
| <b>Total current assets</b>   |       | <b>96,094,124</b>                           | <b>114,822,963</b>                       | <b>135,131,925</b>                          |
| <b>TOTAL ASSETS</b>   |       | <b>674,557,128</b>                          | <b>760,017,982</b>                       | <b>761,067,687</b>                          |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                           |       |   |  |   |
| <b>Shareholders' equity</b>   |       |   |  |   |
| Capital   | 7     | 363,000,000                                 | 363,000,000                              | 363,000,000                                 |
| Reserves  |       | 45,932,988                                  | 45,932,988                               | 45,351,058                                  |
| Investments revaluation reserve – FVTOCI                              |       | 77,404,582                                  | 137,024,051                              | 112,137,142                                 |
| Land revaluation surplus  |       | 126,092,756                                 | 126,092,756                              | 126,092,756                                 |
| Retained earnings   |       | 6,950,622                                   | 31,242,179                               | 51,756,891                                  |
| <b>Total shareholders' equity – Exhibit C</b>                         |       | <b>619,380,948</b>                          | <b>703,291,974</b>                       | <b>698,337,847</b>                          |
| <b>Non-current liability</b>  |       |   |  |   |
| End of service benefit obligation                                     |       | 964,376                                     | 1,225,353                                | 1,205,454                                   |
| <b>Current liabilities</b>  |       |   |  |   |
| Trade accounts payable and others                                     |       | 312,816                                     | 1,986,378                                | 659,908                                     |
| Unclaimed dividends   |       | 34,116,682                                  | 32,912,675                               | 32,994,279                                  |
| Bank overdraft  |       | 19,782,306                                  | 20,601,602                               | 27,870,199                                  |
| <b>Total current liabilities</b>                                      |       | <b>54,211,804</b>                           | <b>55,500,655</b>                        | <b>61,524,386</b>                           |
| <b>Total liabilities</b>  |       | <b>55,176,180</b>                           | <b>56,726,008</b>                        | <b>62,729,840</b>                           |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                     |       | <b>674,557,128</b>                          | <b>760,017,982</b>                       | <b>761,067,687</b>                          |

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THIS CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

  
**SALEM ABDULLA SALEM AL HOSANI**  
Managing Director

**UMM AL QAIWAIN**  
**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**  
**A PUBLIC SHAREHOLDING COMPANY**  
**UMM AL QAIWAIN**  
**UNITED ARAB EMIRATES**

**CONDENSED STATEMENT OF INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

**EXHIBIT B-1**

|   | <u>Notes</u> | <u>For Nine Months Ended</u>  |   | <u>For Three Months Ended</u>   |   |
|---|--------------|---|---|---|---|
|   |              | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> |
| Sales   |              | 6,421,024   | 9,946,137   | 108,445   | 3,825,843   |
| Cost of sales   |              | (7,130,489)   | (11,493,998)  | (490,709)   | (4,317,585)   |
| <b>Gross loss</b>                                       |              | <b>(709,465)</b>  | <b>(1,547,861)</b>  | <b>(382,264)</b>  | <b>(491,742)</b>  |
| Foreign exchange  |              | (819,137)   | --  | (799,356)   | --  |
| Profit from investments in shares                       |              | 20,885,214  | 29,287,733  | 1,026,239   | 2,477,201   |
| Changes in fair value of investments<br>at FVTPL        | 5            | (14,129,879)  | 10,044,699  | (7,544,439)   | 11,613,312  |
| Administrative expenses                                 |              | (2,770,732)   | (2,671,377)   | (849,373)   | (759,869)   |
| Depreciation  |              | (3,802,409)   | (3,801,748)   | (1,266,869)   | (1,279,892)   |
| Provision for coarse cement                             |              | (266,667)   | (400,000)   | --  | (133,333)   |
| Finance costs   |              | (612,672)   | (667,763)   | (237,449)   | (334,748)   |
| <b>(LOSS) / PROFIT FOR THE<br/>PERIOD – EXHIBIT B-2</b> |              | <b>(2,225,747)</b>  | <b>30,243,683</b>   | <b>(10,053,511)</b>   | <b>11,090,929</b>   |
| <b>Basic earnings per share</b>                         | 8            | <b>(0.006)</b>  | <b>0.083</b>  | <b>(0.028)</b>  | <b>0.031</b>  |

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**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

**UNITED ARAB EMIRATES**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

**EXHIBIT B-2**

|   | <b><u>Notes</u></b> | <b><u>For Nine Months Ended</u></b> |                             | <b><u>For Three Months Ended</u></b> |                             |
|---|---------------------|-------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
|   |                     | <b><u>September 30,</u></b>         | <b><u>September 30,</u></b> | <b><u>September 30,</u></b>          | <b><u>September 30,</u></b> |
|   |                     | <b><u>2015</u></b>                  | <b><u>2014</u></b>          | <b><u>2015</u></b>                   | <b><u>2014</u></b>          |
|   |                     | <b><u>(Unaudited)</u></b>           | <b><u>(Unaudited)</u></b>   | <b><u>(Unaudited)</u></b>            | <b><u>(Unaudited)</u></b>   |
|   |                     | <b><u>AED</u></b>                   | <b><u>AED</u></b>           | <b><u>AED</u></b>                    | <b><u>AED</u></b>           |
| <b>(Loss)/profit for the period – Exhibit B-1</b>                   |                     | <b>(2,225,747)</b>                  | 30,243,683                  | <b>(10,053,511)</b>                  | 11,090,929                  |
| <b>Other comprehensive income</b>                                   |                     |                                     |                             |                                      |                             |
| Changes in fair value of investments at FVTOCI                      | 4                   | <b>(56,543,738)</b>                 | 25,057,789                  | <b>(4,235,392)</b>                   | (25,765,740)                |
| Profit from sale of investments at FVTOCI                           |                     | <b>268,459</b>                      | 1,375,574                   | <b>69,304</b>                        | 480,021                     |
| Total other comprehensive (loss)/income                             |                     | <b>(56,275,279)</b>                 | 26,433,363                  | <b>(4,166,088)</b>                   | (25,285,719)                |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD – EXHIBIT C</b> |                     | <b>(58,501,026)</b>                 | 56,677,046                  | <b>(14,219,599)</b>                  | (14,194,790)                |
|   |                     | <b>=====</b>                        | <b>=====</b>                | <b>=====</b>                         | <b>=====</b>                |

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**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

**UNITED ARAB EMIRATES**

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

**EXHIBIT C**

| <u>Description</u>   | <u>Capital<br/>AED</u> | <u>Reserves<br/>AED</u> | <u>Investments<br/>revaluation<br/>reserve –<br/>FVTOCI<br/>AED</u> | <u>Land<br/>revaluation<br/>surplus<br/>AED</u> | <u>Retained<br/>earnings<br/>AED</u> | <u>Total<br/>AED</u> |
|--|------------------------|-------------------------|---|---|--------------------------------------|----------------------|
| Balance at December 31, 2013 (Audited)                           | 363,000,000            | 45,351,058              | 91,308,513  | 126,092,756                                     | 41,318,474                           | 667,070,801          |
| Profit for the period – Exhibit B – 1                            | --                     | --                      | --  | --  | 30,243,683                           | 30,243,683           |
| Other comprehensive income                                       | --                     | --                      | 25,057,789  | --  | 1,375,574                            | 26,433,363           |
| Total comprehensive income for the period – Exhibit B – 2        | --                     | --                      | 25,057,789  | --  | 31,619,257                           | 56,677,046           |
| Dividend paid  | --                     | --                      | --  | --  | (25,410,000)                         | (25,410,000)         |
| Transferred to retained earnings on sale of investment at FVTOCI | --                     | --                      | (4,229,160)   | --  | 4,229,160                            | --                   |
| Balance at September 30, 2014 (Unaudited) – Exhibit A            | 363,000,000            | 45,351,058              | 112,137,142   | 126,092,756                                     | 51,756,891                           | 698,337,847          |
| Balance at December 31, 2014 (Audited) – Exhibit A               | 363,000,000            | 45,932,988              | 137,024,051   | 126,092,756                                     | 31,242,179                           | 703,291,974          |
| Profit for the period – Exhibit B – 1                            | --                     | --                      | --  | --  | (2,225,747)                          | (2,225,747)          |
| Other comprehensive loss   | --                     | --                      | (56,543,738)  | --  | 268,459                              | (56,275,279)         |
| Total comprehensive loss for the period – Exhibit B – 2          | --                     | --                      | (56,543,738)  | --  | (1,957,288)                          | (58,501,026)         |
| Dividend paid  | --                     | --                      | --  | --  | (25,410,000)                         | (25,410,000)         |
| Transferred to retained earnings on sale of investment at FVTOCI | --                     | --                      | (3,075,731)   | --  | 3,075,731                            | --                   |
| Balance at September 30, 2015 (Unaudited) – Exhibit A            | 363,000,000            | 45,932,988              | 77,404,582  | 126,092,756                                     | 6,950,622                            | 619,380,948          |

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THIS CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)*

**UMM AL QAIWAIN CEMENT INDUSTRIES CO.**  
**A PUBLIC SHAREHOLDING COMPANY**  
**UMM AL QAIWAIN**  
**UNITED ARAB EMIRATES**

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

**EXHIBIT D**

|  | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> |
|--|---|---|
| <b>Cash Flows from Operating Activities</b>  |   |   |
| (Loss) / profit for the period – Exhibit B-1                                       | (2,225,747)   | 30,243,683  |
| <i>Adjustments for:</i>  |   |   |
| Depreciation   | 3,802,409   | 3,801,748   |
| Provision for coarse cement  | 266,667   | 400,000   |
| End of service benefit   | (260,977)   | 42,528  |
| Profit from investments in shares  | (20,885,214)  | (29,287,733)  |
| Changes in fair value of investments at FVTPL                                      | 14,129,879  | (10,044,699)  |
| Finance costs  | 612,672   | 667,763   |
|  | <hr/>   | <hr/>   |
| <i>Operating loss before working capital changes</i>                               | (4,560,311)   | (4,176,710)   |
| Decrease in inventories  | 4,341,184   | 2,668,531   |
| Decrease in trade accounts receivable and others                                   | 3,791,634   | 211,135   |
| Decrease in trade accounts payable and others                                      | (1,673,562)   | (1,259,716)   |
|  | <hr/>   | <hr/>   |
| <i>Net cash provided by/(used in) operations</i>                                   | 1,898,945   | (2,556,760)   |
| Finance costs paid   | (612,672)   | (667,763)   |
| <i>Net cash provided by/(used in) operating activities</i>                         | <u>1,286,273</u>  | <u>(3,224,523)</u>  |
| <br><b>Cash Flows from Investing Activities</b>                                    |   |   |
| Purchase of property, plant and equipment  | (48,000)  | (110,396)   |
| Net movement during the period in investments                                      | 4,201,663   | (37,880,509)  |
| Proceeds from sale of investments in shares  | 20,885,214  | 29,287,733  |
|  | <hr/>   | <hr/>   |
| <i>Net cash provided by/(used in) investing activities</i>                         | <u>25,038,877</u>   | <u>(8,703,172)</u>  |
| <br><b>Cash Flows from Financing Activities</b>                                    |   |   |
| Paid to shareholders   | (24,205,993)  | (22,772,367)  |
| Proceeds from bank overdraft   | (819,296)   | 12,759,892  |
|  | <hr/>   | <hr/>   |
| <i>Net cash used in financing activities</i>                                       | <u>(25,025,289)</u>   | <u>(10,012,475)</u>   |
| <br><i>Net increase/(decrease) in cash and cash equivalents</i>                    | 1,299,861   | (21,940,170)  |
| Cash and cash equivalents at the beginning of the period                           | 565,304   | 22,518,753  |
|  | <hr/>   | <hr/>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD – Note 6 &amp; Exhibit A</b> | <u>1,865,165</u><br>=====   | 578,583<br>=====  |

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THIS CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**



**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

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**1. GENERAL INFORMATION:**

Umm Al Qaiwain Cement Industries Co., a public shareholding company (hereinafter referred to as “the Company”) was incorporated in Umm Al Qaiwain by Amiri Decree number 2/82 on February 11, 1982.

The Company was duly registered with the competent governmental authorities according to the law of United Arab Emirates. The Company possesses a factory for manufacturing and trading of cement. The activities of the Company are production and trading of cement and importing the raw materials required for production and trading. The Company is domiciled at Umm Al Qaiwain, United Arab Emirates. The Company had started its commercial production after set-up and establishing the cement factory in October 1993.

The Company’s lifetime period is unlimited, and commenced from February 11, 1982 which is the date of the Amiri decree under which the Company was established.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis of preparation:**

This condensed interim financial information has been prepared in accordance with International Accounting Standard No. 34 “Interim Financial Reporting”.

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the nine months period ended September 30, 2015 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

**b) Accounting estimates and judgments:**

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

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

**c) Financial risk management:**

All aspects of the Company’s financial risk management objectives and policies are consistent with that disclosed in the financial statements as at December 31, 2014.

**d) Accounting policies:**

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2014.

**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

*Continued...*

**3. PROPERTY, PLANT AND EQUIPMENT:**

a) Property, plant and equipment have been stated at cost less accumulated depreciation as follows:

| <u>Cost</u>   | <u>Buildings,<br/>plant &amp; equipment</u><br><u>AED</u> | <u>Labour<br/>accommodation<br/>building</u><br><u>AED</u> | <u>Heavy<br/>equipment</u><br><u>AED</u> | <u>Motor<br/>vehicles</u><br><u>AED</u> | <u>Furniture,<br/>fixtures &amp; office<br/>equipment</u><br><u>AED</u> | <u>Protection cover &amp;<br/>other equipment</u><br><u>AED</u> | <u>Total</u><br><u>AED</u> |
|---|---|--|--|---|---|---|----------------------------|
| As at January 1, 2015                                   | 113,163,255   | 598,612  | 884,500                                  | 420,100                                 | 925,511   | 973,512   | 116,965,490                |
| Additions   | --  | --   | --                                       | --                                      | 48,000  | --  | 48,000                     |
| Disposal  | --  | --   | --                                       | --                                      | (39,063)  | --  | (39,063)                   |
| <b>As at September 30, 2015</b>                         | <b>113,163,255</b>  | <b>598,612</b>   | <b>884,500</b>                           | <b>420,100</b>                          | <b>934,448</b>  | <b>973,512</b>  | <b>116,974,427</b>         |
| <b><u>Accumulated Depreciation</u></b>                  |   |  |  |   |   |   |                            |
| As at January 1, 2015                                   | 103,157,080   | 598,592  | 884,470                                  | 345,409                                 | 857,724   | 973,409   | 106,816,684                |
| Additions   | 3,753,368   | --   | --                                       | 20,719                                  | 28,322  | --  | 3,802,409                  |
| Disposal  | --  | --   | --                                       | --                                      | (39,063)  | --  | (39,063)                   |
| <b>As at September 30, 2015</b>                         | <b>106,910,448</b>  | <b>598,592</b>   | <b>884,470</b>                           | <b>366,128</b>                          | <b>846,983</b>  | <b>973,409</b>  | <b>110,580,030</b>         |
| <b><u>Net Carrying Amount</u></b>                       |   |  |  |   |   |   |                            |
| As at September 30, 2014 (Unaudited) - Exhibit A        | 11,259,417  | 20   | 30                                       | 81,597                                  | 74,144  | 2,763   | 11,417,971                 |
| As at December 31, 2014 (Audited) - Exhibit A           | 10,006,175  | 20   | 30                                       | 74,691                                  | 67,787  | 103   | 10,148,806                 |
| <b>As at September 30, 2015 (Unaudited) - Exhibit A</b> | <b>6,252,807</b>  | <b>20</b>  | <b>30</b>                                | <b>53,972</b>                           | <b>87,465</b>   | <b>103</b>  | <b>6,394,397</b>           |

b) The Company's plant is constructed on part of the land as shown in Exhibit A amounting to AED 159,932,441.

**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

*Continued...*

**4. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI):**

a) The transactions over these investments were as follows:

|  | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>December 31,</u><br><u>2014</u><br><u>(Audited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> |
|--|---|--|---|
| Fair value at January 1                            | 475,113,772   | 436,354,569  | 436,354,569   |
| Net movement during the period                     | (6,433,868)   | (15,866,163)   | (6,827,008)   |
| Changes in fair value – Exhibit B-2                | <u>(56,543,738)</u>   | <u>54,625,366</u>  | <u>25,057,789</u>   |
| <b>Fair value at end of the period – Exhibit A</b> | <b>412,136,166</b>  | 475,113,772  | 454,585,350   |
|  | =====   | =====  | =====   |

b) Investments at fair value through other comprehensive income (FVTOCI) include shares amounting to AED 45,716,463 being mortgaged to bank against credit facilities.

**5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL):**

The transactions over these investments were as follows:

|  | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>December 31,</u><br><u>2014</u><br><u>(Audited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> |
|--|---|--|---|
| Fair value at January 1                            | 101,069,797   | 67,448,630   | 67,448,630  |
| Net movement during the period                     | 2,232,205   | 44,815,804   | 44,707,517  |
| Changes in fair value – Exhibit B-1                | <u>(14,129,879)</u>   | <u>(11,194,637)</u>  | <u>10,044,699</u>   |
| <b>Fair value at end of the period – Exhibit A</b> | <b>89,172,123</b>   | 101,069,797  | 122,200,846   |
|  | =====   | =====  | =====   |

**6. CASH AND CASH EQUIVALENTS:**

This item consists of the following:

|   | <u>September 30,</u><br><u>2015</u><br><u>(Unaudited)</u><br><u>AED</u> | <u>December 31,</u><br><u>2014</u><br><u>(Audited)</u><br><u>AED</u> | <u>September 30,</u><br><u>2014</u><br><u>(Unaudited)</u><br><u>AED</u> |
|---|---|--|---|
| Petty cash  | 29,734  | 13,057   | 20,148  |
| Cash on hand  | 17,870  | 32,869   | 25,050  |
| Cash at banks – UAE                                 | 28,144  | 58,480   | 134,776   |
| Cash at banks – Kuwait                              | 1,738,864   | 420,894  | 445,927   |
| Cash at bank – Qatar                                | 20,066  | 20,066   | 20,066  |
| Cash at bank – Oman                                 | 30,487  | 1,267,075  | 1,224,781   |
| Overdrawn book balances of bank accounts – UAE      | --  | <u>(1,247,137)</u>   | <u>(1,292,165)</u>  |
| <b>Cash and cash equivalents– Exhibit A &amp; D</b> | <b>1,865,165</b>  | 565,304  | 578,583   |
|   | =====   | =====  | =====   |

**UMM AL QAIWAIN CEMENT INDUSTRIES Co.**

**A PUBLIC SHAREHOLDING COMPANY**

**UMM AL QAIWAIN**

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**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

*Continued...*

**7. CAPITAL:**

- a) The Company's capital as shown in **Exhibit A** amounting to **AED 363,000,000** consists of fully paid-up 363,000,000 shares of one Dirham par value for each share.
- b) On April 18, 2015 the general assembly meeting approved the financial statements for the year ended December 31, 2014 and approved cash dividends to shareholders 7% of the paid-up capital amounting to AED 25,410,000.
- c) The Ordinary General Assembly which was held on April 18, 2015, approved the shutdown operations related to the production and sale of cement and focus exclusively on investing activities and asked the Board of Directors proceed immediately to take the necessary for the implementation of this resolution contained specifically the following:
  - i) Stop the production and sale of cement.
  - ii) Full equipment sale and factory machines.
  - iii) Amendment of the Memorandum of Association and articles of Association in accordance with the investment activity of the company and choose a new name for the company reflects the new activity.
  - iv) Call a meeting of an extraordinary general assembly of the company to adopt the amendments to the Memorandum of Association and Articles of Association after obtaining legal and regulatory approvals.

**8. BASIC EARNINGS PER SHARE:**

Basic earnings per share are determined by dividing profit for the period over the average number of ordinary stock during the period.

For the period ended September 30, 2015, the loss is AED 2,225,747 (profit for the period ended September 30, 2014 amounts to AED 30,243,683) and the average number of the ordinary shares is 363,000,000 shares (same number of shares for the previous period).

**9. SEGMENT INFORMATION:**

The primary segment reporting format is determined to be business segment as the Company's risks and rate of return are affected predominantly by activity lines. The operating business are organized and managed separately according to the nature of activities, with each segment representing a strategic business unit that offer different business strategies.

The investment segment includes investment activities. The manufacturing segment includes the production and supply of cement. Segment revenue, segment expenses and segment result include transactions between business segments.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

*Continued...*

**9. SEGMENT INFORMATION: (continued...)**

**Business segments**

The following table demonstrates revenues and profit information and certain assets and liabilities regarding business segments:

| <b>Description</b>                                  | <b>TOTAL</b>         |                     |                      | <b>September 30, 2015 (Unaudited)</b> |                    | <b>December 31, 2014 (Audited)</b> |                    | <b>September 30, 2014 (Unaudited)</b> |                    |
|---|----------------------|---------------------|----------------------|---------------------------------------|--------------------|------------------------------------|--------------------|---------------------------------------|--------------------|
|   | <b>September 30,</b> | <b>December 31,</b> | <b>September 30,</b> |                                       |                    |                                    |                    |                                       |                    |
|   | <b>2015</b>          | <b>2014</b>         | <b>2014</b>          | <b>Manufacturing</b>                  | <b>Investment</b>  | <b>Manufacturing</b>               | <b>Investment</b>  | <b>Manufacturing</b>                  | <b>Investment</b>  |
|   | <b>(Unaudited)</b>   | <b>(Audited)</b>    | <b>(Unaudited)</b>   | <b>AED</b>                            | <b>AED</b>         | <b>AED</b>                         | <b>AED</b>         | <b>AED</b>                            | <b>AED</b>         |
| Sales   | 6,421,024            | 13,282,172          | 9,946,137            | 6,421,024                             | --                 | 13,282,172                         | --                 | 9,946,137                             | --                 |
| Profit from investments                             | 5,936,198            | 19,117,119          | 39,332,432           | --                                    | 5,936,198          | --                                 | 19,117,119         | --                                    | 39,332,432         |
| Allocated expenses (Net)                            | (10,932,898)         | (20,189,578)        | (15,295,746)         | (10,932,898)                          | --                 | (20,189,578)                       | --                 | (15,295,746)                          | --                 |
| <b>Net segment results</b>                          | <b>1,424,324</b>     | <b>12,209,713</b>   | <b>33,982,823</b>    | <b>(4,511,874)</b>                    | <b>5,936,198</b>   | <b>(6,907,406)</b>                 | <b>19,117,119</b>  | <b>(5,349,609)</b>                    | <b>39,332,432</b>  |
| Unallocated expenses                                | (3,650,071)          | (6,390,409)         | (3,739,140)          |                                       |                    |                                    |                    |                                       |                    |
| <b>(Loss)/profit for the period</b>                 | <b>(2,225,747)</b>   | <b>5,819,304</b>    | <b>30,243,683</b>    |                                       |                    |                                    |                    |                                       |                    |
| <b>Segment assets</b>                               | <b>674,557,128</b>   | <b>760,017,982</b>  | <b>761,067,687</b>   | <b>172,701,712</b>                    | <b>501,855,416</b> | <b>183,201,497</b>                 | <b>576,816,485</b> | <b>181,556,718</b>                    | <b>579,510,969</b> |
| <b>Segment liabilities</b>                          | <b>55,176,180</b>    | <b>56,726,008</b>   | <b>62,729,840</b>    | <b>35,393,874</b>                     | <b>19,782,306</b>  | <b>36,124,406</b>                  | <b>20,601,602</b>  | <b>34,859,641</b>                     | <b>27,870,199</b>  |
| <b>Other segment information</b>                    |                      |                     |                      |                                       |                    |                                    |                    |                                       |                    |
| Land revaluation surplus                            | 126,092,756          | 126,092,756         | 126,092,756          | 126,092,756                           | --                 | 126,092,756                        | --                 | 126,092,756                           | --                 |
| Income from investments at FVTOCI                   | (56,543,738)         | 54,625,366          | 25,057,789           | --                                    | (56,543,738)       | --                                 | 54,625,366         | --                                    | 25,057,789         |
| Capital expenditure (property, plant and equipment) | 48,000               | 111,756             | 110,396              | 48,000                                | --                 | 111,756                            | --                 | 110,396                               | --                 |
| Depreciation (property, plant and equipment)        | 3,802,409            | 5,072,273           | 3,801,748            | 3,802,409                             | --                 | 5,072,273                          | --                 | 3,801,748                             | --                 |

**Company's geographical segments**

The Company's geographical segments are based on the location of the Company's assets. The two geographical segments in which the Company operates comprised of UAE and GCC.

a) **Assets distribution:**

The following table shows the distribution of the Company's segment assets by geographical market:

|               | <b>TOTAL</b>         |                     |                      | <b>GCC</b>           |                     |                      | <b>UAE</b>           |                     |                      |
|---------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
|               | <b>September 30,</b> | <b>December 31,</b> | <b>September 30,</b> | <b>September 30,</b> | <b>December 31,</b> | <b>September 30,</b> | <b>September 30,</b> | <b>December 31,</b> | <b>September 30,</b> |
|               | <b>2015</b>          | <b>2014</b>         | <b>2014</b>          | <b>2015</b>          | <b>2014</b>         | <b>2014</b>          | <b>2015</b>          | <b>2014</b>         | <b>2014</b>          |
|               | <b>(Unaudited)</b>   | <b>(Audited)</b>    | <b>(Unaudited)</b>   | <b>(Unaudited)</b>   | <b>(Audited)</b>    | <b>(Unaudited)</b>   | <b>(Unaudited)</b>   | <b>(Audited)</b>    | <b>(Unaudited)</b>   |
| <b>Assets</b> | <b>674,557,128</b>   | <b>760,017,982</b>  | <b>761,067,687</b>   | <b>54,644,264</b>    | <b>69,239,464</b>   | <b>81,049,034</b>    | <b>619,912,864</b>   | <b>690,778,518</b>  | <b>680,018,653</b>   |

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*Continued...*

**9. SEGMENT INFORMATION: (continued...)**

**Company's geographical segments: (continued...)**

**b) Financial assets at fair value distribution:**

The following table demonstrates financial assets information, the geographical allocation and the nature of activities in which invested:

|  | <u>TOTAL</u>         |                     |                      | <u>September 30, 2015 (Unaudited)</u> |                    | <u>December 31, 2014 (Audited)</u> |                    | <u>September 30, 2014 (Unaudited)</u> |                    |
|--|----------------------|---------------------|----------------------|---------------------------------------|--------------------|------------------------------------|--------------------|---------------------------------------|--------------------|
|  | <u>September 30,</u> | <u>December 31,</u> | <u>September 30,</u> | <u>GCC</u>                            | <u>UAE</u>         | <u>GCC</u>                         | <u>UAE</u>         | <u>GCC</u>                            | <u>UAE</u>         |
|  | <u>2015</u>          | <u>2014</u>         | <u>2014</u>          |                                       |                    |                                    |                    |                                       |                    |
|  | <u>(Unaudited)</u>   | <u>(Audited)</u>    | <u>(Unaudited)</u>   | <u>AED</u>                            | <u>AED</u>         | <u>AED</u>                         | <u>AED</u>         | <u>AED</u>                            | <u>AED</u>         |
| <b>1) <u>Investments at FVTOCI</u></b> |                      |                     |                      |                                       |                    |                                    |                    |                                       |                    |
| Banking sector                         | 346,118,792          | 401,533,848         | 368,010,629          | 834,413                               | 345,284,379        | 1,006,205                          | 400,527,643        | 1,075,898                             | 366,934,731        |
| Finance and investment sector          | 13,740,796           | 14,788,495          | 18,917,683           | 8,659,996                             | 5,080,800          | 9,386,495                          | 5,402,000          | 10,668,683                            | 8,249,000          |
| Real estate sector                     | 17,760,278           | 18,621,103          | 19,960,154           | 15,887,555                            | 1,872,723          | 16,334,989                         | 2,286,114          | 18,056,945                            | 1,903,209          |
| Industrial sector                      | 10,349,081           | 10,183,296          | 12,193,554           | 6,025,174                             | 4,323,907          | 6,491,354                          | 3,691,942          | 7,702,177                             | 4,491,377          |
| Services sector                        | 24,167,219           | 29,987,030          | 35,503,330           | 9,697,540                             | 14,469,679         | 14,026,189                         | 15,960,841         | 17,422,522                            | 18,080,808         |
| <b>Total</b>                           | <b>412,136,166</b>   | <b>475,113,772</b>  | <b>454,585,350</b>   | <b>41,104,678</b>                     | <b>371,031,488</b> | <b>47,245,232</b>                  | <b>427,868,540</b> | <b>54,926,225</b>                     | <b>399,659,125</b> |
| <b>2) <u>Investments at FVTPL</u></b>  |                      |                     |                      |                                       |                    |                                    |                    |                                       |                    |
| Banking sector                         | 41,869,933           | 50,632,507          | 54,028,650           | 1,052,403                             | 40,817,530         | 1,336,837                          | 49,295,670         | 1,706,600                             | 52,322,050         |
| Finance and investment sector          | 2,370,000            | 9,369,462           | 12,043,320           | --                                    | 2,370,000          | 4,530,922                          | 4,838,540          | 4,744,850                             | 7,298,470          |
| Real estate sector                     | 20,679,344           | 16,107,886          | 26,348,291           | --                                    | 20,679,344         | --                                 | 16,107,886         | --                                    | 26,348,291         |
| Industrial sector                      | 21,392,846           | 22,150,693          | 24,007,190           | 10,697,766                            | 10,695,080         | 11,429,093                         | 10,721,600         | 12,207,190                            | 11,800,000         |
| Services sector                        | 2,860,000            | 2,809,249           | 5,773,395            | --                                    | 2,860,000          | 2,809,249                          | --                 | 5,773,395                             | --                 |
| <b>Total</b>                           | <b>89,172,123</b>    | <b>101,069,797</b>  | <b>122,200,846</b>   | <b>11,750,169</b>                     | <b>77,421,954</b>  | <b>20,106,101</b>                  | <b>80,963,696</b>  | <b>24,432,035</b>                     | <b>97,768,811</b>  |
| <b>Total financial assets</b>          | <b>501,308,289</b>   | <b>576,183,569</b>  | <b>576,786,196</b>   | <b>52,854,847</b>                     | <b>448,453,442</b> | <b>67,351,333</b>                  | <b>508,832,236</b> | <b>79,358,260</b>                     | <b>497,427,936</b> |

**10. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION:**

This condensed interim financial information (unaudited) has been approved by the Company's management for issue on November 12, 2015.

**11. GENERAL:**

The figures in this condensed interim financial information are rounded to the nearest Dirham of United Arab Emirates.