

Suez Cement Company (S.A.E)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019
TOGETHER WITH THE REVIEW REPORT

Suez Cement Company (S.A.E)
Condensed Interim Consolidated Financial Statements
For The Period Ended 31 March 2019

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Suez Cement Company (S.A.E)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 March 2019

	Note	31 March 2019 EGP	31 December 2018 EGP Restated	1 January 2018 EGP Restated
Assets				
Non-current assets				
Fixed assets	(3)	3,298,469,517	3,395,700,943	3,685,167,935
Fixed assets under construction	(4)	344,314,873	376,553,157	394,184,010
Goodwill		1,259,954,950	1,266,643,252	2,689,429,222
Investment in an associate and shares in joint ventures		37,521,127	40,821,719	41,610,569
Available-for-sale investments		1,560,562	1,560,562	1,460,562
Held to maturity investments		8,429,279	8,429,279	8,429,279
Amounts paid under investments in subsidiaries and other companies		-	-	2,000,000
Total non-current assets		4,950,250,308	5,089,708,912	6,822,281,577
Current assets				
Inventory		1,643,866,568	1,534,192,621	1,067,684,474
Prepayment, other receivables and other debit balances		1,379,308,641	1,357,500,658	1,057,751,527
Due from Related Parties	(7)	4,812,500	11,964,033	28,603,106
Cash on hand and at banks		859,629,416	798,121,644	726,756,599
Total current assets		3,887,617,125	3,701,778,956	2,880,795,706
Assets held for sale	(8)	29,102,670	414,231,927	186,257,654
Total assets		8,866,970,103	9,205,719,795	9,889,334,937
Equity and liabilities				
Equity				
Share capital	(9)	909,282,535	909,282,535	909,282,535
Reserves		2,668,886,627	2,668,886,627	2,668,886,627
Reserve of unrealized gain on available-for-sale investments		327,001	327,001	327,001
Cumulative foreign currencies translation differences		240,137,691	258,107,340	260,113,607
Retained earnings / (Cumulative Losses)		(39,188,069)	(212,909,404)	1,234,402,640
Equity attributable to equity holders of the parent		3,779,445,785	3,623,694,099	5,073,012,410
Non-controlling interest		675,484,232	667,865,487	513,923,606
Total Equity		4,454,930,017	4,291,559,586	5,586,936,016
Non-current liabilities				
Medium term loans		90,141,724	93,407,880	63,578,576
Other long term liabilities		45,253,833	46,419,331	43,587,637
End of service benefits liabilities		40,962,956	40,306,207	80,565,670
Deferred tax liabilities		273,985,910	255,993,357	171,080,205
Total non-current liabilities		450,344,423	436,126,775	358,812,088
Current liabilities				
Provisions		418,550,530	423,249,157	964,075,282
Bank overdraft	(10)	933,917,028	427,416,695	316,008,855
Trade payables, accrued expenses and other credit balances		2,181,608,968	2,950,709,285	1,858,419,838
Due to Related Parties	(11)	427,619,137	613,892,330	750,271,522
Total current liabilities		3,961,695,663	4,415,267,467	3,888,775,497
Liabilities directly associated with the assets held for sale		-	62,765,967	54,811,336
Total liabilities		4,412,040,086	4,914,160,209	4,302,398,921
Equity and liabilities		8,866,970,103	9,205,719,795	9,889,334,937

Accounting Manager

Chief financial Officer

Managing Director

Chairman

Shereif El Masry

Ali Ihsan Kucukoglu

Jose Maria Magrina

Hayrullah Hakan Gurdal

- The accompanying notes from Page (9) to (20) are an integral part of these consolidated financial statements.

Suez Cement Company (S.A.E)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME (PROFIT AND LOSS)
FOR THE PERIOD ENDED 31 MARCH 2019

	Note	31 March 2019 LE	31 March 2018 LE
Sales		1,819,651,349	2,126,911,148
Cost of sales		(1,846,019,185)	(1,883,643,680)
GROSS PROFIT		(26,367,836)	243,267,468
General and administrative expenses		(140,060,962)	(118,305,122)
Investment income in an associate company		1,873,319	1,673,969
Gain (Loss) on sale of fixed assets		14,393,866	1,077,501
Finance Income / (expenses) Net		(10,103,816)	(14,185,755)
Other income		63,474,058	6,537,575
Other expenses		(21,892,714)	(12,560,599)
PROFIT/ (LOSSES) BEFORE INCOME TAXES		(118,684,085)	107,505,037
Deferred income taxes for the period		(17,992,553)	3,609,062
Income taxes for the period		(12,512,454)	(9,470,379)
Profits (Losses) for the period from continuing operations		(149,189,092)	101,643,720
Discontinued operations			
Net Profit/(loss) from discontinued operations		1,161,878	15,448,324
Gain / (Losses) from sale discontinued operations		361,098,248	(27,780)
Profit For The Period from discontinued operations		362,260,126	15,420,544
NET PROFIT FOR THE PERIOD		213,071,034	117,064,264
Attributable to:			
Equity holders of the parent		176,667,335	98,089,315
Non-controlling interests		36,403,699	18,974,949
		213,071,034	117,064,264
		31 March 2019 LE	31 March 2018 LE
The total profit attributable to the shareholders of the parent company is from			
Continued operations		(149,189,092)	82,668,770
Discontinued operations		362,260,126	15,420,544
		213,071,034	98,089,314
Profit Earnings (loss) per share (base / reduced) from continuing operations and discontinued operations			
Profit Earnings (loss) per share from continuing operations	(5)	(1.01)	0.45
Profit Earnings (loss) per share from discontinued operations	(5)	1.98	0.05
		0.97	0.5

- The accompanying notes from Page (9) to (20) are an integral part of these consolidated financial statements.

Suez Cement Company (S.A.E)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019

31 March 2018

	LE	LE
(LOSSES)PROFITS FOR THE PERIOD	<u>213,071,034</u>	117,064,264
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Net (loss) on available-for-sale (AFS) financial assets		-
Exchange differences on translation of foreign operations	<u>(17,969,649)</u>	(5,269,343)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	<u>(17,969,649)</u>	(5,269,343)
Other comprehensive income not to be reclassified to loss in subsequent Periods (net of tax):		
Re-measurement gains/(losses) on actuarial defined benefit plans net of tax	<u>-</u>	(97,078)
Net other comprehensive income/(loss) not being reclassified to loss in subsequent periods, net of tax	<u>-</u>	-
Other comprehensive income/(loss), net of tax	<u>(17,969,649)</u>	(5,366,421)
Total comprehensive income, net of tax	<u>195,101,385</u>	111,697,843
Attributable to:		
Equity holders of the parent	167,502,815	91,082,256
Non-controlling interests	<u>27,598,570</u>	20,615,587
	<u>195,101,385</u>	111,697,843

31 March 2019

31 March 2018

LE

LE

The total profit attributable to the shareholders of the parent company is from

Continued operations	(194,757,312)	75,661,868
Discontinued operations	<u>362,260,126</u>	15,420,544
	<u>167,502,814</u>	91,082,256

Suez Cement Company (S.A.E)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Issued and paid up capital	Reserves	Reserve of unrealized gain on available-for- sale investments	Cumulative foreign currencies translation differences	Retained Earnings (Cumulative Losses)	Total	Non-controlling interest	Total Equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2019 as issued	909,282,535	2,668,886,627	327,001	256,951,432	1,267,452,954	5,102,900,549	604,625,725	5,707,526,274
Adjustments Prior Years (Note 13)	-	-	-	1,155,908	(1,480,362,358)	(1,479,206,450)	63,239,762	(1,415,966,688)
Balance as of 01 January 2019 (Restated)	909,282,535	2,668,886,627	327,001	258,107,340	(212,909,404)	3,623,694,099	667,865,487	4,291,559,586
Other comprehensive income, net of tax	-	-	-	(17,969,649)	176,667,335	158,697,686	19,138,742	177,836,428
Total comprehensive income, net of tax	-	-	-	(17,969,649)	-	158,697,686	19,138,742	177,836,428
Transferred to retained earnings	-	-	-	-	-	-	11,520,003	11,520,003
Dividends and transferred to reserves	-	-	-	-	(2,946,000)	(2,946,000)	(23,040,000)	(25,986,000)
Balance as of 31 December 2018	909,282,535	2,668,886,627	327,001	240,137,691	(39,188,069)	3,779,445,785	675,484,232	4,454,930,017

- The accompanying notes from Page (9) to (20) are an integral part of these consolidated financial statements.

Suez Cement Company (S.A.E)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2018

	Issued and paid up capital	Reserves	Reserve of unrealized gain on available- for-sale investments	Cumulative foreign currencies translation differences	Retained Earnings (Cumulative Losses)	Total	Non-controlling interest	Total Equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2017 as issued (Restated)	909,282,535	2,668,886,627	327,001	260,113,607	1,234,402,640	5,073,012,410	513,923,606	5,586,936,016
Adjustments on retained earnings and NCI	-	-	-	-	(100,818,169)	(100,818,169)	108,683,214	7,865,045
Adjustments on non-controlling interest - share of NCI in the equity of Hilal Cement Group - Kuwait	-	-	-	-	-	-	7,032,638	7,032,638
Adjustments on RE - Majority interest in the capital of Helwan	-	-	-	-	(94,383)	(94,383)	-	(94,383)
Profits (Losses) for the Period	-	-	-	-	98,089,315	98,089,315	18,974,949	117,064,264
Other comprehensive income, net of tax	-	-	-	(2,354,011)	(97,078)	(2,451,089)	(15,897,777)	(18,348,866)
Total comprehensive income, net of tax	-	-	-	(2,354,011)	97,992,237	95,638,226	18,974,949	114,613,175
Transferred to retained earnings	-	-	-	-	-	-	12,085,880	12,085,880
Dividends and transferred to reserves	-	-	-	-	(2,776,000)	(2,776,000)	(20,640,000)	(23,416,000)
Balance as of 31 March 2018 (Restated)	909,282,535	2,668,886,627	327,001	257,759,596	1,228,706,325	5,064,962,084	640,060,287	5,705,022,371

- The accompanying notes from Page (9) to (20) are an integral part of these consolidated financial statements.

Suez Cement Company (S.A.E)

CONDENSED INTERIM THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019

	Note	31 March 2019 LE	31 March 2018 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period before income taxes continuing operations		(118,684,085)	107,505,037
Profits for the Period before Tax from discontinued operations		362,260,126	15,420,544
		243,576,041	122,925,581
Liquidation investments (Gain) / Losses		-	27,780
Depreciation of fixed assets		120,534,555	145,116,203
Decline in value of inventory		240,789	3,175,947
Provisions		2,500,000	-
Impairment of accounts and notes receivable		-	8,776,804
Reversal in Impairment of accounts and notes receivable		(25,469,909)	-
Liabilities against end of service plan		1,976,749	3,998,700
Investment income in an associate company		(1,873,319)	(1,673,969)
Liquidation projects under construction		-	7,379,947
Losses (Gain) on disposal of fixed assets		(14,393,866)	(1,077,501)
Losses / (Gain) on disposal of Sale investments		(361,098,248)	-
Unrealized currency differences		(17,969,649)	(2,687,365)
Finance costs		35,627,491	18,930,511
Credit interests		(25,523,675)	(12,421,699)
Operating profits before changes in working capital		(41,873,041)	292,470,939
Change in inventory		(109,914,736)	31,644,061
Changes in accounts receivable, prepayments, other receivables and other debit balances		3,661,926	(319,356,690)
Change in from Due related parties		7,151,533	28,603,106
Change in accounts payable, accrued expenses and other payables		(762,534,320)	1,096,813,792
Change in To Due related parties		(186,273,193)	(504,749,275)
Finance costs paid		(35,627,491)	(18,930,511)
Income taxes paid		(43,402,037)	(31,296,202)
Payment in respect of end of service plan		(1,320,000)	(2,022,941)
Provisions used		(7,198,627)	(45,867,090)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(1,177,329,986)	527,309,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(32,853,712)	(5,895,655)
Proceeds from sale of fixed assets		20,115,652	1,218,699
Payments in fixed assets under construction		(2,538,972)	(77,300,910)
Proceeds from investment in an associate company		5,173,911	6,263,496
Proceeds from sale of investments		742,902,871	-
Credit interests received		25,523,675	11,387,021
NET CASH FLOWS FROM INVESTING ACTIVITIES		758,323,425	(64,327,349)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in medium term loans and other long term liabilities		-	45,573,124
Change in banks - credit balance		506,500,333	(314,414,111)
Dividends paid		(2,946,000)	(2,776,000)
Dividends paid to non-controlling interest		(23,040,000)	(20,640,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES		480,514,333	(292,256,987)
Net increase /(decrease) in cash and cash equivalent during the Period		61,507,772	170,724,853
Cash and cash equivalent - beginning of the Period		798,121,644	726,756,599
CASH AND CASH EQUIVALENT – END OF THE PERIOD		859,629,416	897,481,452

- The accompanying notes from Page (9) to (20) are an integral part of these consolidated financial statements.

Suez Cement Company (S.A.E)

NOTES TO CONDENSED INTERIM THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31 MARCH 2019

1. BACKGROUND

Summary of Suez Cement Group Companies

Suez Cement Company S.A.E.

Suez Cement Company S.A.E. was established in 1977 under Law 43 of 1974 which was superseded by Law 230 of 1989 which was replaced by the investments Guarantees and Incentives Law 8 of 1997. The Company was registered in the Commercial register on 11 April 1979 under no. 181134.

Heidelberg Cement, which acquired 100% of Italcementi's Share capital, through its subsidiaries, owns 55% of Suez Cement's outstanding shares as of 31 December 2016.

The main objective of the Company is to produce all types of cement and other products stemming from the cement industry and related thereto and the production of other building materials and construction requirements and trading therein, utilization of mines and quarries except sand and gravels. The company may have an interest or participate in any manner in organization caring out activities which are similar to the company's activities, or which may contribute to the fulfilment of the Company's objects in Egypt or abroad. The company may also be merged in any of the aforementioned organizations, or may buy or have them subsidiary to the company, subject to the approval of the General Authority for Investment and Free Zones.

The Consolidated financial statements of the Company for the Period ended 31 March 2019 were Signed by the company's CEO on July14th,2019 and will be presented to the upcoming BOD meeting for ratification .

The following is Suez Cement Group companies and the direct and indirect shares of Suez Cement Company S.A.E. in its subsidiaries:

	31 March 2019	31 December 2017
	%	%
Egyptian Tourah Portland Cement Company S.A.E.	66.12	66.12
Helwan Cement Company S.A.E.	99.55	99.55
Ready Mix Concrete El - Alamyra (RMCA) S.A.E	52	52
Hilal Cement Group (K.S.C.C.) – Kuwait	51	51
Development and Construction Material Company (DECOM) S.A.E. – subsidiary of Universal For Ready Mix Production (RMPU) S.A.E. by 99,99%	52	52
Suez Transport and Trade Company S.A.E. – subsidiary of Helwan Cement Company S.A.E. by 55%	96.37	96.37
Suez For import and Export S.A.E	96.37	96.37

Suez Cement Company (S.A.E)

NOTES TO CONDENSED INTERIM THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31 MARCH 2019

2. Basis of consolidation

Control

An investor controls an investee if and only if the investor has all the following:

- (1) Power over the investee
- (2) Exposure, or rights, to variable returns from its involvement with the investee
- (3) The ability to use its power over the investee to affect the amount of the investor's returns

Assessing control

An investor shall consider all facts and circumstances when assessing whether it controls an investee. The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Loss of Control

If a parent loses control of a subsidiary, it shall:

- 1 Derecognize the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost./
- 2 Derecognize the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them)
- 3 Derecognizes the cumulative translation differences recorded in equity.
- 4 Recognize the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control.
- 5 Recognize any investment retained in the former subsidiary at its fair value at the date when control is lost.
- 6 Reclassify to profit or loss, or transfer directly to retained earnings, the amounts recognized in other comprehensive income in relation to the subsidiary.
- 7 Recognize any resulting difference as a gain or loss in profit or loss attributable to the parent.

If a parent loses control of a subsidiary, the parent shall account for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent shall reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. If a revaluation surplus previously recognized in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent shall transfer the revaluation surplus directly to retained earnings when it loses control of the subsidiary.

Non-controlling Interests

An entity shall attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The entity shall also attribute total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Uniform accounting policies

If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Business Combination

An entity shall account for each business combination by applying the acquisition method. Applying the acquisition method requires:

- (1) Identifying the acquirer;
- (2) Determining the acquisition date;
- (3) Recognising and measuring the identifiable assets acquired, the liabilities assumed, contingent liabilities assumed and any non-controlling interest in the acquiree; and
- (4) Recognising and measuring goodwill or a gain from a bargain purchase

The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. For each business combination, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquire that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either:

Suez Cement Company (S.A.E)

NOTES TO CONDENSED INTERIM THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31 MARCH 2019

- (a) Fair value; or
- (b) The present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

- (a) The aggregate of:
 - (i) The consideration transferred measured in accordance with EAS 29 – Business combination, which generally requires acquisition-date fair value.
 - (ii) The amount of any non-controlling interest in the acquire measured in accordance with EAS 29 – Business combination; and
 - (iii) In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquire.
- (b) The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with EAS 29 – Business combination.

3. FINANCIAL STATEMENTS CONSOLIDATION PRINCIPLES

The accompanying consolidated financial statements of Suez Cement Company S.A.E. have been prepared from the standalone financial statements of Suez Cement Company S.A.E. and its subsidiaries (note 1), In preparing the consolidated financial statements of Suez Cement Company S.A.E., an entity combines the financial statements of the parent and its subsidiaries line by line adding assets, liabilities, equity, income and expenses. In order that the consolidated financial statements present financial information about the group as that of the single economic entity, the following steps are then taken:

- The carrying amount of the parent's investments in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. The excess of parent company's investments in subsidiary company over the parent's share in

Subsidiary's equity are recognized as goodwill and recorded as asset in the consolidated financial statements, Tested for impairment frequently; an impairment loss of goodwill is recorded in the consolidated statement of profits or losses.

- Non-controlling interest on the net of assets of consolidated subsidiaries are identified separately from the parent shareholders' equity in them; Non-controlling interest in the net of assets consists of:
 - (1) The amount of those non-controlling interest at the date of the original combination.
 - (2) The non-controlling's share of changes in equity since the date of the combination.

Intra group balances and transactions, including income, expense and dividends, are eliminated in full, Profits and losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full.

- Intra group Consolidated financial statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The income and expense of the subsidiary are included in the consolidated financial statements from the acquisition date and the non-controlling interest is to be eliminated. The income and expense of the subsidiary are included in the consolidated financial statements until the date on which the parent ceases to control the subsidiary.
- The financial statements of subsidiaries that reports in the currency not the parent reporting currency and not that reports in the currency of a hyperinflationary economy, the reporting currencies of that subsidiaries are translated to the parent reporting currency in order to combine it in the consolidation financial statements of the parent by using the following procedures:
 - (a) Translate the assets and liabilities of each balance sheet presented in the consolidated balance sheet (including the comparative figures) at the closing date.
 - (b) Translate the income and expense items of each statement of income presented in the consolidated statement of income (including the comparative figures) at exchange rates at the dates of the transactions.
 - (c) All resulting foreign currencies translation differences should be classified separately in the consolidated equity until the disposal of the net investment.

Cumulative foreign currencies translation differences arising from translation and attributable to non-controlling interest s are allocated to, and reported as part of, the non-controlling interest in the consolidated balance sheet until the disposal of the net investment.

Disposal of investment in a subsidiary that reports in the currency not the parent reporting currency, the cumulative amount of foreign currencies translation differences which have been deferred separately in the consolidated equity and which relate to that subsidiary, should be recognized as income or as expenses in the same Period in which the gain or loss on disposal is recognized.

Suez Cement Company (S.A.E)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 31 March 2019

4. FIXED ASSETS

	Lands	Buildings, constructions, infrastructure and roads	Machinery, equipment and Tools	Motor Vehicles	Furniture and office equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Cost						
As of 1 January 2019 (Restated)	436,806,301	1,860,516,154	7,349,161,245	415,854,671	137,803,548	10,200,141,919
Accumulated depreciation As of 1 January 2019	-	(1,459,647,655)	(4,923,014,188)	(301,227,607)	(120,551,526)	(6,804,440,976)
As of 1 January 2019	436,806,301	400,868,499	2,426,147,057	114,627,064	17,252,022	3,395,700,943
Foreign currencies translation differences fixed Assets as of 31 March 2019 *	(553,767)	(18,379,562)	(12,296,500)	(10,883,416)	(832,128)	(42,945,373)
Foreign currencies translation differences depreciation as of 31 March 2019 *	-	14,824,124	10,522,090	7,276,161	819,615	33,441,990
Additions	-	49,500	17,991,121	14,796,297	16,794	32,853,712
Transferred from projects under construction (note 14)	-	7,386,462	26,800,614	-	590,180	34,777,256
Adjustments	(29,102,670)	-	-	-	-	(29,102,670)
Assets held for sale	-	-	-	-	-	-
Disposals	(3,075,811)	(4,123,675)	(17,134,571)	(2,664,297)	-	(26,998,354)
Depreciation for the Period	-	(18,914,471)	(89,473,544)	(10,779,868)	(1,366,672)	(120,534,555)
Adjustments	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-
Disposals	-	1,517,924	17,134,570	2,624,074	-	21,276,568
Net book value as of 31 March 2019	404,074,053	383,228,801	2,379,690,837	114,996,015	16,479,811	3,298,469,517

Fixed Assets as of 31 March 2019 includes assets that are fully depreciated and still in use. The acquisition cost for these assets are as follows:

Asset	Cost EGP
Building, constructions, infrastructure and roads	345,021,881
Machinery, equipment and tools	1,455,636,295
Motor vehicles	55,401,158
Furniture and office equipment	77,818,396
Total	1,933,877,730

5. FIXED ASSETS UNDER CONSTRUCTION

The movement of fixed assets under construction during the Period ended 31 March 2019 is as follows:

	31 March 2019 EGP	31 December 2018 EGP
Beginning balance	376,553,157	394,184,010
Translation foreign currency differences during the Period	-	304
Additions during the Period	2,538,972	328,486,375
Transferred to fixed assets during the Period	(34,777,256)	(327,135,411)
Disposals	-	(1,891,990)
Assets held for sale	-	(17,090,131)
Ending balance	344,314,873	376,553,157

Suez Cement Company (S.A.E)

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6. (LOSSES) EARNING PER SHARE

Basic earnings per share amounts are calculated by dividing net profit / (loss) for the period attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period, The company has no dilutive shares,

The information necessary to calculate basic and diluted earnings per share is as follows:

A- (LOSSES) Earnings per share from continuing operations

	31 March 2019	31 March 2018
	EGP	EGP
Net profit (loss) attributable to the equity holders of the Parent Company	(149,189,092)	82,668,770
Weighted average number of shares issued and paid	181856507	181856507
PROFIT / (LOSSES) Earnings per share	(0.82)	0.45

B- (LOASSES) Earnings per share from discontinued operations

	31 March 2019	31 March 2018
	EGP	EGP
Net profit (loss) attributable to the equity holders of the Parent Company	362,260,126	15,420,544
Weighted average number of shares issued and paid	181856507	181856507
PROFIT / (LOSSES) Earnings per share *	1.99	0.08

The Company's share in profit (loss) is calculated by adjusting the weighted average number of ordinary shares by the effects of all potential ordinary shares causing the impairment. The Company does not have any potential dilutive shares as at 31 March 2019. Therefore, Basic share per share in profit (loss).

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7. (Assets and Liabilities held for sale and discontinued operations)

*The Suez Cement Group has assigned Cleopatra For building materials industry as assets held for sale and sold on 2018 February 2019. The value of the transaction amounted to 742,902,871 LE .The results of its operations are classified as discontinued operations as at 31 March 2019.

The assets and liabilities of Cleopatra For building materials industry on Selling date are as follows:

A- Assets

	2018
	EGP
Fixed assets	203,347,986
Fixed assets under construction	22,404,504
Deferred tax assets	10,023,994
Inventory	168,542,470
Receivables	2,079,799
other debit balances	16,171,230
Cash on hand and at banks	3,708,950
Total	426,278,933

B- Liabilities

	2018
	EGP
Trade payables, accrued expenses and other credit balances	20,201,027
Due to Related Parties	27,109,240
Income tax liability	8,546,542
Advances from customers	10,257,011
Other long term liabilities	8,327,511
Retention payable	645,691
Total	75,087,022

The following are the results from discontinued operations for the period from 01 January 2019 to 31 January 2019 , from 01 January 2018 to 31 March 2018 :

	31 March 2019	31 March 2018
	EGP	EGP
Revenues	13,986,168	135,193,309
Expenses	(12,824,290)	(115,075,794)
Profits from Discontinued operations	1,161,878	20,117,515
	361,098,248	(27,780)
Income Tax	-	(4,669,191)
Profit/(loss) after tax for the Period from discontinued operations	362,260,126	15,420,544

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C- Cash flows from discontinued operations

	31 March 2019	31 March 2018
	EGP	EGP
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,489,333	45,085,506
NET CASH FLOWS FROM INVESTING ACTIVITIES	-	(1,759,905)
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	(185,104)
Net cash (outflow)/inflow	2,489,333	43,140,497

D- The gain from sale discontinued operations

	2018
	EGP
Sale revenue	742,902,871
Proceed	742,902,871
(Deduct): Net assets	(351,119,911)
(Deduct): Expenses related to sale	(30,684,712)
Gain from sale discontinued operations	361,098,248

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31 March 2019

8. Due to Related Parties

	Suez Cement EGP	Tourah Cement EGP	Helwan Cement EGP	Helal Cement EGP	31 March 2019 EGP
Italcementi	-	-	-	867,192	867,192
Heidelberg Cement Trading Malta	1,166	-	3,726,561	-	3,727,727
Morocco Cement	-	-	132,849	-	132,849
Tanzania Portland Cement Company	42,360	-	-	-	42,360
Cimenteries CBR Cementbedrijven N,V	42,372	-	-	-	42,372
	<u>85,898</u>	<u>-</u>	<u>3,859,410</u>	<u>867,192</u>	<u>4,812,500</u>

9. Assets Held for Sale

Assets held for sale on 31 March 2019 are investments in unused land in Egyptian Tourah Portland Cement Company S.A.E. for a total value of LE 29,102,670 which was decided by the General Assembly to sell unutilized assets (31 December 2018) representing the value of assets held for sale. Cleopatra Building Materials Company for LE 414,231,927

10. CAPITAL AND RESERVES

10/a - CAPITAL

The company's authorized capital amounted to LE 1,000 million, while the Company's issued and paid up capital amounted to LE 640 million divided over 64000000 shares of par value LE 10 each,

On 30 September 2005, Minister of investment's decree was issued to approve the extraordinary General Assembly Meeting dated 17 April 2005 to approve stock split (1:2), consequently, the Company's issued and paid up capital reached 128000000 shares of par value LE 5 each,

On 10 November 2005, the Extraordinary General Assembly Meeting approved the increase of the Company's authorized capital to LE 1,300 million, and the increase of issued and paid up capital amounts to LE 909,282,535 divided over 181856507 shares of par value LE 5 each,

On 25 March 2013, the Extraordinary General Assembly Meeting approved the increase of the Company's authorized capital to LE 3,600 million,

11. Bank Overdraft

A) Suez Cement Company S.A.E obtained a line of credit from Several Banks capped at LE 635 million in the form of overdraft facility in Egyptian pounds or its equivalent in foreign currencies to finance the company's working capital requirements and imported goods.

Total usage of this line of credit as of 31 March 2019 amounted to LE 345,011,956.

B) Egyptian Tourah Portland Cement Company S,A,E (subsidiary) obtained lines of credit capped at LE 370 million

Total usage of these lines of credit as of 31 March 2019 amounted to LE 192,699,484,

C) Helwan Cement Company S,A,E obtained lines of credit from different banks capped at LE 519 million in the form of overdraft facility in Egyptian pounds or its equivalent in foreign currencies to finance the company's working capital requirements, Total usage of this line of credit as of 31 March 2019 amounted to EGP 396,205,588.

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12. Due to Related Parties

	Suez Cement EGP	Tourah Cement EGP	Helwan Cement EGP	Helal Cement EGP	31 March 2019 EGP
Ciments Francais	56,357,266	11,980,485	27,368,352	-	95,706,103
Italcementi	6,835,743	-	40,145,678	-	46,981,421
Heidelberg Cement Trading Malta	-	-	-	64,729,604	64,729,604
Heidelberg Cement AG	43,129,367	14,026,670	4,548,125	-	61,704,162
Inter bulk Logano	152,883,238	-	1,315,722	-	154,198,960
Inter bulk SAE	53,499	-	975,738	-	1,029,237
Heidelberg Cement France S,A,S,	3,269,650	-	-	-	3,269,650
	<u>262,528,763</u>	<u>26,007,155</u>	<u>74,353,615</u>	<u>64,729,604</u>	<u>427,619,137</u>

The decrease in the due to related parties is due to the payment of part of the balance due to Interblek Lugano through the sale of Cleopatra.

13. Financial instruments by category

Financial Assets As Per Final Statement

	31 March 2019 EGP	31 December 2018 EGP
Accounts and notes receivable	590,091,807	523,883,580
Prepayment, other receivables and other debit balances *	561,480,842	342,263,307
Cash on hand and at banks	798,121,644	859,629,416
Due from Related Parties	4,812,500	11,964,033
Assets Held For Sale	29,102,670	414,231,927

*Other debit balances not include prepaid expenses and suppliers' advance payments.

Financial liabilities

	31 March 2019	31 December 2018
Bank Over Draft	933,917,028	427,416,695
Trade and other payables	1,358,923,986	1,873,819,985
Total undiscounted financial liabilities	427,619,137	613,892,330

*Other credit balances not include customer credits and social security.

14. Prior Year 's adjustments

Certain comparative figures have been reclassified for 2018 to conform with the presentation of the consolidated financial statements for the period. Certain comparative figures have been adjusted and reclassified to conform with the presentation for the financial year. The following is a summary of the amendments:

A- Goodwill Impairment test Proposed disclosure

Correction of errors in accounting for goodwill impairment test

The company undertook a detailed review of the goodwill impairment test that was conducted as of 31 December 2018 and discovered that the assumptions used in the test was not consistent with the economy and industry forecast. As a consequence, the goodwill had been overstated by EGP 1.4 billion statement line items for the prior years as follows:

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 31 March 2019

	As issued	Restatement	After restatement
Goodwill	2,492,180,146	(1,398,528,973)	1,093,651,173
Retained earning (Accumulated losses)	1,260,403,296	(1,398,528,973)	(138,125,677)
Statement of profit or loss for the year ended 31 December 2018 :			
Goodwill impairment loss	197,249,076	1,398,528,973	1,595,778,049
Net profit (loss) for the year	121,437,200	(1,398,528,973)	(1,239,863,964)

B- Accounting for fair value surplus arised from the acquisition of Tourah portland cement company (TPCC)
Proposed disclosure

Correction of errors in accounting for fixed asset revaluation surplus surplus arised from the acquisition of Tourah portland cement company (TPCC)

The company undertook a detailed review for the depreciation of the revaluation surplus of the fixed assets arised from the acquisition of Tourah Portland cement company (TPCC) and discovered that the depreciation expense had not been fully recorded in prior years .

As a consequence, the fixed assets had been overstated by EGP 190 Million

The error has been corrected by restating each of the affected

	As issued	Restatement	After restatement
Statement of financial position 31 December 2018 :			
Fixed assets	3,586,130,737	(190,429,794)	3,395,700,943
Retained earning	1,260,403,296	(190,429,794)	1,096,973,502
Statement of financial position 31 December 2017 :			
Fixed assets	3,875,597,729	(190,429,794)	3,685,167,935
Retained earning	1,420,835,448	(190,429,794)	1,230,405,564

C- Accounting for disposal of a subsidiary

On March 2019, Management discovered an error in the accounting for the loss of control over ICC Saudi arabia " former foreign subsidiary" , as the cumulative translation reserve was not recycled to the statement of profit or loss at the date of loss of control as required by EAS 42 " consolidated financial statements"

The error has been corrected by restating each of the affected financial statement line items for the prior years as follows:

	As issued	Restatement	After restatement
Statement of financial position 31 December 2018 :			
Cumulative translation reserve	256,951,432	(87,070,053)	169,881,379
Retained Earning	1,260,403,296	(87,070,053)	1,173,333,243
Statement of financial position 31 December 2018 :			
Cumulative translation reserve	260,113,607	(87,070,053)	173,043,554
Retained Earning	1,420,835,448	(87,070,053)	1,333,765,395

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D- Classification of actuarial gains / losses on the balance sheet

The financial statement have been restated to include the Actuarial gain from retirement benefit obligation should not be shown separately on the balance sheet but to be included in the retained earning

The error has been corrected by restating each of the affected financial statement line items for the prior years as follows:

	As issued	Restatement	After restatement
Statement of financial position 31 December 2018 :			
Actuarial gain on retirement benefit obligation	7,049,658	(7,049,658)	-
Retained Earning	1,260,403,296	7,049,658	1,267,452,954

E- **Management has discovered error in translating the financial statement of it's foreign subsidiary (Helal for Cement company) which has function currency Kuwait Dinar, as the goodwill was translated using historical foreign exchange rate while it should have been translated using the closing foreign exchange rate of kuwait Dinar as at 31 December 2018, the error has been corrected to reflect the goodwill at the closing rate with a corresponding increase in cumulative translation reserve as follows :**

	As issued	Restatement	After restatement
Statement of financial position 31 December 2018 :			
Good Will	2,492,180,146	172,992,079	2,665,172,225
Cumulative translation reserve	256,951,432	88,225,961	345,177,393
Non-controlling interest	566,166,402	84,766,118	650,932,520

	As issued	Restatement	After restatement
Statement of financial position 31 December 2017 :			
Good Will	2,689,429,222	171,777,320	2,861,206,542
Cumulative translation reserve	260,113,607	87,606,433	431,890,927
Non-controlling interest	566,166,402	84,170,887	650,932,520

F- Dividends income restatement

Management discovered that there is a mitake in divedends income treatment from one of it's subsidiaries, the consolidation partially affected with those dividendsin consolidated profirt and loss statement, this shoould eleiminated from consolidated financial statements

	Profit & (Loss) 2018 As issued	Restatement	After restatement
Statement of financial position 31 December 2017 :			
Investment Income	12,085,880	(12,085,880)	-
Cumulative translation reserve	566,166,402	12,085,880	554,080,522

f- Available for sale assets for Tourrah Cement portland :

Land with a carrying amount of EGP 29,102,670 was classified as fixed assets within non-current assets as of 31 December 2018, however it should have been classified as assets held for sale within current assets as it met the assets held for sale criteria per EAS 32 during the year 2018. The land value was measured at the lower of its carrying amount and fair value less costs to sell as at 31 December 2018. This has been reclassified by management during the year 2019.

	Balance on 31/12/2018 Before Restatement	Restatement	After restatement
	LE	LE	LE
Fixed Assets	294.367.340	(29.102.670)	265.264.670
Assets Held for Sale	-	29.102.670	29.102.670

Suez Cement Company (S.A.E)

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15. SEGMENT INFORMATION

Activity segments have been determined in accordance with the audit reports from the Group's management. Group management is considered to be the business activity from the point of view of the geographical location (Egypt - Kuwait).

	Geographical location (Egypt)		Geographical location (Kuwait)		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Results of Operations						
Net Sales	1,506,174,834	1,787,751,613	313,476,515	339,159,535	1,819,651,349	2,126,911,148
Cost of Sales	(1,571,133,354)	(1,579,765,087)	(274,885,831)	(303,878,593)	1,846,019,185)	(1,883,643,680)
Result Location " Gross Profit "	(64,958,520)	207,986,526	38,590,684	35,280,942	(26,367,836)	243,267,468
Finance income	8,537,732	11,387,021	16,985,943	1,034,678	25,523,675	12,421,699
Financing Expense	(34,331,851)	(17,838,854)	(1,295,640)	(1,091,657)	(35,627,491)	(18,930,511)
Foreign exchange differences	15,106,259	(7,649,561)	(104,447)	135,618	15,001,812	(7,513,943)
Gain (Loss) on sale of investment	389,459,182	(27,780)	-	-	389,459,182	(27,780)
Other income	50,516,728	19,061,280	25,742,706	2,150,645	76,259,434	21,211,925
Other expenses	(121,098,420)	(122,700,427)	(22,797,433)	(9,165,294)	(143,895,853)	(131,865,721)
income tax	30,505,007	5,861,317	-	-	30,505,007	5,861,317
Net Profit (Losses) for the Period	213,887,981	118,359,841	57,121,813	9,790,303	271,009,794	128,150,144
Non-controlling interests	15,938,296	29,486,172	27,989,688	4,797,248	43,927,984	34,283,420
Another Information						
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Net Assets	7,521,855,153	7,897,028,493	1,183,623,673	1,147,663,256	8,705,478,826	9,044,691,749
Net Liabilities	3,970,774,859	4,491,889,959	446,077,727	434,234,283	4,416,852,586	4,926,124,242
Depreciation	5,929,805,885	5,848,042,931	940,451,088	956,398,045	6,870,256,973	6,804,440,976

16. SUBSEQUENT EVENTS

On 10 June 2019, the Extraordinary General Assembly meeting of shareholders decided to temporarily mothball the Company's cement activities until such time as market conditions improve. TPCC will continue to exist as a legal entity, listed on the Egyptian Exchange Stock, with its shareholders' rights maintained. However, Cement activity at its plant will be stopped temporarily to minimize the Company's cash losses but the plant will continue to be maintained and held in a secure state until such time as market conditions improve. Employees will leave the company in an organized and legal manner and the Company will continue the process of selling its unutilized surplus assets and lands as resolved by the previous Extraordinary General Assembly Meeting held on 16 September 2018. Management have assessed the cash outflows arising from holding the plant in this temporarily dormant state and have considered the sufficiency of funds available to it, both from within its parent group and from the sale of surplus assets.

As part of this, Heidelberg Cement AG, (the ultimate parent company) have committed to provide the Company with such financial support as is necessary to enable it to continue its operations and to meet its obligations until 31 July 2020, during the period of realisation of the surplus land assets. Additionally, Tourah management have received confirmation from Suez Cement (Parent Company) that it will not call for repayment of the debt owed by the Company to it, until the Company has reached a sufficient liquidity position.