

Arabian Cement Company S.A.E.

**Condensed separate interim financial statements
Together with limited review's report
For the nine months ended September 30, 2018**

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Limited Review Report
For the Condensed Separate Interim Financial Statements

To: The Board of directors of Arabian Cement Company
An Egyptian Joint Stock Company

Introduction

We have conducted our limited review for the accompanying condensed separate interim financial position of Arabian Cement Company - An Egyptian Joint Stock Company - as of September 30, 2018 and the related condensed separate statements of profits or losses, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements (2410) - Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed separate interim financial statements 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 the Egyptian 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 on these condensed separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 14, 2018


Kamel Magdy Saleh FCA , FESAA
RAA 8510
EFSAA 69



Arabian Cement Company S.A.E.
Separate statement of financial position at September 30, 2018

EGP	Notes	September 30, 2018	December 31, 2017 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	2 501 278 372	2 377 240 570
Assets under construction	11	86 443 952	249 232 824
Intangible assets	12	358 248 810	396 151 869
Investments in subsidiaries	13	37 476 057	37 476 057
Investments in a joint venture	14	125 000	125 000
TOTAL NON-CURRENT ASSETS		2 983 572 191	3 060 226 320
CURRENT ASSETS			
Inventories	15	214 488 680	231 764 348
Debtors and other debit balances	16	81 049 427	77 821 035
Due from related parties	27	10 605 892	9 388 845
Cash and bank balances	17	237 847 436	117 204 564
TOTAL CURRENT ASSETS		543 991 435	436 178 792
TOTAL ASSETS		3 527 563 626	3 496 405 112

- Limited review report is attached

Arabian Cement Company S.A.E.
Separate statement of financial position at September 30, 2018

EGP	Notes	September 30, 2018	December 31, 2017 Restated
EQUITY			
CAPITAL AND RESERVES			
Issued and paid-up capital	18	757 479 400	757 479 400
Legal reserve	19	231 365 975	209 622 582
Retained earnings	25	524 376 628	337 441 529
TOTAL EQUITY		1 513 222 003	1 304 543 511
NON-CURRENT LIABILITIES			
Notes payables	20	--	7 000 000
Borrowings	21	527 604 648	601 101 209
Deferred tax liabilities	8.3	343 494 396	335 984 957
Other liabilities	24	42 862 000	92 968 685
TOTAL NON-CURRENT LIABILITIES		913 961 044	1 037 054 851
CURRENT LIABILITIES			
Trade payables	22	457 867 625	437 906 945
Notes payables	20	6 900 000	7 000 000
Credit facilities	21	102 990 964	290 586 491
Current income tax payable	8.2	34 406 434	--
Current portion of long-term notes payables	21	166 665 000	167 535 000
Current portion of long-term borrowings	24	102 934 583	114 462 000
Creditors and other credit balances	26	207 182 482	113 753 476
Due to related parties	27	3 274 399	7 880 187
Provisions	23	18 159 092	15 682 651
TOTAL CURRENT LIABILITIES		1 100 380 579	1 154 806 750
TOTAL LIABILITIES		2 014 341 623	2 191 861 601
TOTAL EQUITY AND LIABILITIES		3 527 563 626	3 496 405 112

– The accompanying notes form an integral part of the condensed separate interim financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer



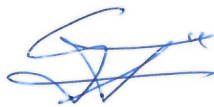
Allan Hestbech
 Chief Financial Officer



Arabian Cement Company S.A.E.
Separate statement of profit or loss for the Nine months ended
September 30, 2018

EGP	Notes	Three months ended		Nine months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sales revenue	3	777 799 978	658 062 499	2 369 042 647	1 847 326 738
Cost of sales	4	(714 756 880)	(549 110 351)	(1 938 985 375)	(1 569 899 007)
GROSS PROFIT		63 043 098	108 952 148	430 057 272	277 427 731
General and administrative expenses	5	(33 024 011)	(30 842 189)	(96 794 603)	(89 000 762)
Provisions	23	(4 078 011)	(1 250 000)	(4 778 011)	(7 940 757)
Interest income		584 765	3 590 558	1 418 451	4 039 334
Other income		802 906	655 522	2 649 361	1 861 416
Finance costs	6	(26 306 296)	(27 062 330)	(70 806 326)	(78 701 964)
Capital gain		--	172 115	--	172 115
Foreign exchange gain / (losses) differences		(951 893)	17 635 934	(4 724 015)	33 411 043
PROFIT FOR THE PERIOD BEFORE TAX		70 558	71 851 758	257 022 129	141 268 156
Income tax	8.1	1 731 177	24 166 836	(41 915 873)	26 264 846
PROFIT FOR THE PERIOD AFTER TAX		1 801 735	96 018 594	215 106 256	167 533 002
Earnings per share (Basic and diluted)					
Basic and diluted (EGP / Share)	9	--	0.25	0.57	0.44

– The accompanying notes form an integral part of the condensed separate interim financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
Chief Executive Officer



Allan Hestbech
Chief Financial Officer

Arabian Cement Company S.A.E.
Separate statement of comprehensive income for the Nine months ended
September 30, 2018

EGP	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
PROFIT FOR THE PERIOD, NET OF INCOME TAX	1 801 735	96 018 594	215 106 256	167 533 002
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	--	--	--	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 801 735	96 018 594	215 106 256	167 533 002

- The accompanying notes form an integral part of the condensed separate interim financial statements and to be read therewith.



Sergio Alcantarilla Rodriguez
 Chief Executive Officer



Allan Hestbech
 Chief Financial Officer

Arabian Cement Company S.A.E.
Separate statement of changes in equity for the Nine months ended
September 30, 2018

EGP	Issued and Paid-up capital	Legal reserve	Retained earnings	Total
Balance at January 1, 2017	757 479 400	185 037 371	349 798 741	1 292 315 512
Transfer to legal reserve	--	24 585 211	(24 585 211)	--
Dividends distributed	--	--	(205 205 932)	(205 205 932)
Net profit for the period	--	--	167 533 002	167 533 002
Balance at September 30, 2017	757 479 400	209 622 582	287 540 600	1 254 642 582
Balance at January 1, 2018	757 479 400	209 622 582	337 441 529	1 304 543 511
Transfer to legal reserve	--	21 743 393	(21 743 393)	--
Dividends distributed	--	--	(6 427 764)	(6 427 764)
Total other comprehensive income, net of income tax	--	--	215 106 256	215 106 256
Balance at September 30, 2018	757 479 400	231 365 975	524 376 628	1 513 222 003

- The accompanying notes form an integral part of the condensed separate interim financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer



Allan Hestbech
 Chief Financial Officer



Arabian Cement Company S.A.E.
Separate statement of cash flows for the Nine months ended
September 30, 2018

EGP	Notes	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Profit for the period before tax		257 022 129	141 268 156
Adjusted by:			
Finance costs recognized in profit or loss	6	70 806 326	78 701 964
Interest income		(1 418 451)	(4 039 334)
Depreciation of property, plant and equipment	10	144 938 098	137 544 450
Amortization of intangible assets	12	37 903 059	37 903 059
Capital gains		--	(172 115)
Foreign exchange losses/ (gain) differences		4 724 015	(18 786 915)
Provision formed	23	4 778 011	7 940 757
Decrease/ (Increase) in inventories		17 275 668	(27 194 315)
(Increase) /Decrease in debtors and other debit balances		(3 228 392)	21 005 002
(Increase)/Decrease in due from related parties		(1 217 047)	1 874 073
Decrease in trade receivables		--	11 270 053
Increase in trade payables		12 860 680	25 538 549
(Decrease) in due to related parties		(4 605 788)	(3 400 059)
(Increase)/ Decrease in creditors and other credit balances		90 152 692	(48 526 955)
Provisions used	23	(2 301 570)	(5 300 691)
Cash generated by operations		627 689 430	355 625 679
Interest paid		(67 530 012)	(93 977 477)
Tax paid		--	(91 505 805)
Net cash generated by operating activities		560 159 418	170 142 397

Arabian Cement Company S.A.E.
Separate cash flow statement for the Nine months ended September 30, 2018

EGP	Notes	September 30, 2018	September 30, 2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	10	(19 682 728)	(8 961 025)
Payments for assets under construction *	11	(86 504 300)	(165 469 350)
Interest income		1 418 451	4 039 334
Payment to acquire investment in related companies		--	(16 250 000)
Gains from fixed assets selling		--	460 000
Cash (used in) investing activities		(104 768 577)	(186 181 041)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(79 090 576)	(35 584 737)
Repayment of other liabilities		(61 634 102)	(92 296 985)
(Proceeds) / Collected from credit facilities	21	(187 595 527)	123 723 011
Payment of dividends		(6 427 764)	(4 473 890)
Cash (used in) financing activities		(334 747 969)	(8 623 601)
Increase / (Decrease) in cash and cash equivalents		120 642 872	(24 662 245)
Cash and cash equivalents at the beginning of the period		117 204 564	130 477 594
Cash and cash equivalents at the end of the period		237 847 436	105 815 349

Non- cash transaction from investment activities

* Non-cash transactions represented in the transferred from projects under constructions to fixed assets by EGP 249 293 172 have been eliminated.

– The accompanying notes form an integral part of the condensed separate interim financial statements and to be read therewith.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer

Allan Hestbech
 Chief Financial Officer

Arabian Cement Company S.A.E
Condensed separate interim financial statements
Together with limited review Report
For the Nine months ended September 30, 2018

1. The Company's general information

Arabian Cement Company S.A.E. (ACC or the Company), a joint stock Company incorporated in Cairo, Egypt, is a public company whose shares are traded at the EGX Egyptian Exchange. The Company was established on March 5, 1997 under Law No. 230 of 1989 and Law No. 95 of 1992 according to the decision of the President of General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.

The Company was registered at the Commercial Register under No. 13105 in Cairo on April 3, 2005, which was changed to No. 53445 on August 16, 2011 as the Company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza- Egypt to be Villa 56 El Gihaz Street, Fifth Settlement, New Cairo, Egypt.

The Company's objective is the manufacturing and sale of clinker, cement and the other related products and usage of mines and extraction of all mining materials required for the production of construction materials and road transportation for all the company's product. The Company may carry out other projects or amend its purpose according to the Investment Incentives and Guarantees Law. The Company produces cement with a clinker capacity of 4.2 million tonnes per annum that can produce 5 million tonnes per annum of cement.

The main shareholder of the Company is Aridos Jativa – Spanish Company, and it owns 60% of the Company's capital.

The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on November 14, 2018.

The Company's term is 25 years starting from the date of its registration at the commercial register.

2. Significant accounting policies

2.1 Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) Interim financial reporting. These condensed separate interim financial statements do not include all the information required in the preparation of the full set annual separate financial statements and must be read in conjunction with the annual separate financial statements as of December 31, 2017.

2.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Arabian Cement Company S.A.E
Condensed separate interim financial statements
Together with limited review Report
For the Nine months ended September 30, 2018

3. Sales revenue

An analysis of the Company's revenue for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Local sales	661 168 018	565 307 897	2 074 857 762	1 603 261 521
Export sales	83 253 735	63 971 965	209 927 250	169 534 698
Services	33 378 225	28 782 637	84 257 635	74 530 519
TOTAL	777 799 978	658 062 499	2 369 042 647	1 847 326 738

4. Cost of sales

An analysis of the Company's cost of sales for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Raw material	606 873 127	456 488 880	1 635 392 970	1 292 525 394
Manufacturing depreciation	50 495 363	46 476 528	144 938 098	137 544 450
Electricity supply agreement amortization	12 773 194	12 773 193	37 903 059	37 903 059
Transportation cost	23 575 338	20 096 638	61 103 213	51 070 113
Overhead cost	21 039 858	13 275 112	59 648 035	50 855 991
TOTAL	714 756 880	549 110 351	1 938 985 375	1 569 899 007

5. General and administration expenses

An analysis of the Company's general and administration expenses for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Professional services	8 934 028	7 541 924	26 657 973	20 152 320
Salaries and wages	14 740 740	14 326 197	44 075 689	44 328 645
Security and cleaning services	166 145	423 635	906 521	706 437
Rentals	2 826 043	2 685 211	7 955 236	7 926 295
Transportation	1 871 397	3 023 711	5 725 687	4 395 441
Advertising	456 956	(255 240)	1 143 465	726 792
Other	4 028 702	3 096 751	10 330 032	10 764 832
TOTAL	33 024 011	30 842 189	96 794 603	89 000 762

Arabian Cement Company S.A.E
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6. Finance costs

An analysis of the Company's finance costs for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Loan interest expense	20 969 974	11 684 285	48 105 268	37 612 705
Operation license interest expense	--	1 259 457	212 398	5 809 349
Electricity agreement interest expense	3 070 500	3 070 500	9 211 500	9 211 500
Credit facilities interest expense	2 265 822	11 048 088	13 277 160	26 068 410
TOTAL	26 306 296	27 062 330	70 806 326	78 701 964

7. Compensation of key management personnel

An analysis of the Company's Compensation of key management personnel for the period is as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Board of Directors allowance	7 613 265	7 619 053	22 712 309	23 802 226
Board of Directors salaries	4 505 760	4 509 120	13 441 680	13 093 920
TOTAL	12 119 025	12 128 173	36 153 989	36 896 146

8. Income taxes

8.1 Income tax recognised in profit or loss

EGP	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
CURRENT TAX				
Current tax expense for the current period	(3 928 202)	(19 191 316)	34 406 434	(19 191 316)
Adjustments recognized in the current period related to current tax of prior year	--	(4 407 123)	--	(24 908 920)
DEFERRED TAX				
Net deferred tax recognized in the current period	2 197 025	(568 397)	7 509 439	(1 355 926)
TOTAL INCOME TAX RECOGNIZED IN THE CURRENT PERIOD	(1 731 177)	(24 166 836)	41 915 873	(26 264 846)

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8.2 Current tax liabilities

EGP	September 30, 2018	December 31, 2017
Current tax expense (note 8.1)	34 406 434	--
CURRENT TAX LIABILITIES	34 406 434	--

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

September 30, 2018 EGP	Opening balance	Recognized in profit or loss	Closing balance
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	335 984 957	(7 509 439)	343 494 396
NET DEFERRED TAX LIABILITY	335 984 957	(7 509 439)	343 494 396
December 31, 2017 EGP	Opening balance	Recognized in profit or loss	Closing balance
(LIABILITIES)			
Temporary differences			
Property, plant & equipment	338 733 747	(2 748 790)	335 984 957
NET DEFERRED TAX LIABILITY	338 733 747	(2 748 790)	335 984 957

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

EGP	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
EARNINGS (for basic and diluted earnings per share)				
Profit for the period	1 801 735	96 018 594	215 106 256	167 533 002
Employees' share in distributable profits (note 16)	(1 753 810)	(1 636 503)	(5 296 702)	(4 775 029)
Distributable profit	47 925	94 382 091	209 809 554	162 757 973
NUMBER OF SHARES (for basic and diluted earnings per share)				
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700	378 739 700	378 739 700
EARNINGS PER SHARE	--	0.25	0.57	0.44

Arabian Cement Company S.A.E
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10. Property, plant and equipment

EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2017	50 243 436	559 425 208	13 187 587	2 524 933 418	9 400 617	277 111 991	13 424 066	3 447 726 323
Additions	--	4 973 511	166 371	157 500	23 557	910 271	2 729 815	8 961 025
Disposals	--	--	(343 363)	--	--	--	--	(343 363)
Balance at September 30, 2017	50 243 436	564 398 719	13 010 595	2 525 090 918	9 424 174	278 022 262	16 153 881	3 456 343 985
Balance at January 1, 2018 – restated	50 243 436	564 826 943	13 151 253	2 550 246 834	11 933 537	283 064 441	18 677 131	3 492 143 575
Additions	--	520 575	1 227 852	15 722 260	431 974	1 049 804	730 263	19 682 728
Transfer from PUC	--	4 260 164	--	243 598 242	99	1 434 667	--	249 293 172
Balance at September 30, 2018	50 243 436	569 607 682	14 379 105	2 809 567 336	12 365 610	285 548 912	19 407 394	3 761 119 475
ACCUMULATED DEPRECIATION								
Balance at January 1, 2017	--	147 831 546	4 517 179	692 627 949	2 580 183	73 097 548	10 273 541	930 927 946
Depreciation expense	--	21 677 673	1 450 572	121 948 244	755 508	11 087 409	1 684 375	158 603 781
Accumulated depreciation disposal	--	--	(55 478)	--	--	--	--	(55 478)
Balance at September 30, 2017	--	169 509 219	5 912 273	814 576 193	3 335 691	84 184 957	11 957 916	1 089 476 249
Balance at January 1, 2018	--	176 840 704	6 392 960	827 590 443	3 639 091	87 861 550	12 578 257	1 114 903 005
Depreciation expense	--	21 774 486	1 432 102	106 764 401	999 571	11 647 520	2 320 018	144 938 098
Balance at September 30, 2018	--	198 615 190	7 825 062	934 354 844	4 638 662	99 509 070	14 898 275	1 259 841 103
CARRYING AMOUNT								
At September 30, 2018	50 243 436	370 992 492	6 554 043	1 875 212 492	7 726 948	186 039 842	4 509 119	2 501 278 372
At September 30, 2017	50 243 436	394 889 500	7 098 322	1 710 514 725	6 088 483	193 837 305	4 195 965	2 366 867 736
At December 31, 2017	50 243 436	387 986 239	6 758 293	1 722 656 391	8 294 446	195 202 891	6 098 874	2 377 240 570

- There is a first-degree commercial and real estate mortgage for the benefit of the National Bank of Egypt as a guarantee for loans granted by the bank to the company's land, all current and future buildings and constructions, and the tangible and intangible elements of the Company's factory.

- According to the loans contracts granted by the National Bank of Egypt, the Company insured for the benefit of the bank an insurance policy against all potential risks on the Company's factory and the production lines by 110% of the full amount of the loans, and the bank is the first and only beneficiary of this policy.

- The Company has insured (for its benefits) on cars and silos.

Arabian Cement Company S.A.E
Condensed separate interim financial statements
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11.Assets under construction

EGP	September 30, 2018	December 31, 2017
Balance at the begging of the period/year	249 232 824	17 670 237
Additions	86 375 591	239 326 574
Transfer to fixed assets	(249 293 172)	(10 541 194)
Advance to suppliers	128 709	2 777 207
TOTAL	86 443 952	249 232 824
Assets under construction are represented in the following categories:		
Buildings	51 249 574	45 531 948
Machinery and equipment	34 198 066	200 923 669
Other installations	867 603	--
Advance to suppliers	128 709	2 777 207
TOTAL	86 443 952	249 232 824

12.Intangible assets

EGP	Operating license	Electricity contract	Total
Cost			
Cost as of January 1 , 2018	563 204 713	225 200 000	788 404 713
Additions during period	--	--	--
Cost as of September 30, 2018	563 204 713	225 200 000	788 404 713
Accumulated amortization			
Accumulated amortization as of January 1, 2018	(231 155 103)	(161 097 741)	(392 252 844)
Amortization for the period	(21 059 331)	(16 843 728)	(37 903 059)
Total accumulated amortization as of June 30, 2018	(252 214 434)	(177 941 469)	(430 155 903)
Net book value September 30,2018	310 990 279	47 258 531	358 248 810
Net book value December 31,2017	332 049 610	64 102 259	396 151 869

Operating license

As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual instalments after 1 year from starting production with a maximum of 18 months according to interest rate determined by Central Bank of Egypt (CBE).

The above mentioned value will be also applied for the second line and a 25% will be paid as an advance payment and residual amount will be settled over a period of 3 years according to the interest rate determined by Central Bank of Egypt (CBE).

On 22 January 2015, the Industrial Development Authority (IDA) accepted to receive EGP 8 million on a monthly basis until the legal dispute with the company is resolved, which is currently at the court.

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Electricity contract

Intangible assets represent the value of the contract concluded with the Ministry of Electricity on March 11, 2010, where the Ministry of Electricity identifies the needs of heavy industrial projects and arranges their needs, either through the establishment of new stations or already established ones. The cost of investments will be paid by the company according to what has been determined by the Ministry, which amounted to EGP 217.2 million, where payment has been agreed to be paid as follows:

15% advance payment equivalent to EGP 32.58 million.

120 monthly instalments due on the first of every month from April 2010 amounted by EGP 1.220 million per each instalment.

120 monthly instalments due on the first of every month from February 2011 amounted by EGP 1.342 million per each instalment.

In addition to EGP 8 million for the allocation of two cells of the traditional type, to be paid in four quarterly instalments and the last instalment was due on 1 February 2011.

13. Investments in subsidiaries

The Company has control over all the subsidiaries as listed below:

Company name EGP	Domicile	Share/ paid- in capital	September 30, 2018	December 31, 2017	Principal activities	Proportion of ownership interest and voting power held by the Company
Andalus Concrete Company Evolve	Egypt	%99.99	20 926 807	20 926 807	Concert products, mainly ready mix	99.99%
Investment & Projects Management Company ACC for Management and Trading Company	Egypt	%99.99	16 499 750	16 499 750	Alternative fuel and recycling	99.99%
	Egypt	%99.99	49 500	49 500	Providing managerial services	99%
TOTAL			37 476 057	37 476 057		

14. Investments in joint venture

Details of the Company's joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation	Proportion of ownership interest and voting power held by the company	EGP	
			September 30, 2018	December 31, 2017
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
TOTAL			125 000	125 000

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15. Inventories

EGP	September 30, 2018	December 31, 2017 Restated
Raw materials	63 126 024	156 757 571
Packing materials	23 447 872	25 541 593
Spare parts	7 945 866	6 249 053
Work in progress	3 048 895	2 413 295
Finished goods	116 672 411	40 554 917
Advance to suppliers	247 612	247 919
TOTAL	214 488 680	231 764 348

16. Debtors and other debit balances

EGP	September 30, 2018	December 31, 2017
Advance to suppliers	31 016 509	31 421 917
Withholding tax	5 744 177	2 733 235
Deposit with others	26 831 204	26 831 204
Employees' dividends in advance	5 296 702	6 427 766
Letter of credit	6 877 000	6 877 000
Letters of guarantee – cash margin	1 054 049	34 049
Cash imprest	2 110 915	1 881 790
Other debit balances	2 118 872	1 614 074
TOTAL	81 049 427	77 821 035

17. Cash and bank balances

EGP	September 30, 2018	December 31, 2017
Cash on hand	872 705	1 670 945
Current account – local currency	86 717 184	32 249 866
Current account – foreign currency	92 978 979	56 060 284
Bank deposits	57 278 569	27 223 469
Total	237 847 436	117 204 564

Cash and cash equivalents include restricted cash as follows:

Restricted cash at banks (due loans instalments in U.D. Dollar)	47 604 089	47 370 988
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18. Capital

EGP	September 30, 2018	December 31, 2017
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

19. Legal reserve

In accordance with the Companies' Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

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20. Notes payables

EGP	Current		Non-current	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Notes payables *	6 900 000	7 000 000	--	7 000 000
TOTAL	6 900 000	7 000 000	--	7 000 000

* Represent the remaining due instalments for the company's new office at Gamal Abdel Nasser square, Fifth Settlement, fifth floor, New Cairo, Egypt which will be handed over on November 1, 2017 as per the contract and the last instalment will be paid on August 1, 2019.

21. Borrowings

EGP	Current		Non-current	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Credit facilities	102 990 964	290 586 491	--	--
Bank loans	166 665 000	167 535 000	527 604 648	601 101 209
TOTAL	269 655 964	458 121 491	527 604 648	601 101 209

22. Trade payables

EGP	September 30, 2018	December 31, 2017
Local trade payables	183 825 398	162 413 204
Foreign trade payables	274 042 227	275 493 741
TOTAL	457 867 625	437 906 945

23. Provisions

EGP	Provision for claims
Balance at January 1, 2018	15 682 651
Additional provisions recognized	4 778 011
Used during the period	(2 301 570)
Balance at September 30, 2018	18 159 092

Management annually reviews and adjusts these provisions based on the latest developments, discussions and agreements with the involved parties.

24. Other liabilities

EGP	Current		Non-current	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Operating license	84 472 583	96 000 000	25 938 500	62 198 685
Electricity contract	18 462 000	18 462 000	16 923 500	30 770 000
TOTAL	102 934 583	114 462 000	42 862 000	92 968 685

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25.Dividends distribution

On April 26, 2018, the company's Ordinary General Assembly meeting approved the profits distribution on the shareholders according to the distributable profits for the financial year ended December 31, 2017.

EGP	December 31, 2017
Profit for the year	217 433 931
Retained earnings at beginning of the year	120 007 598
Distributable profits	337 441 529
To be distributed as follows:	
Legal reserve	21 743 393
Profit attributable to shareholders	--
Profit attributable to employees	6 427 764
Retained earnings at end of the year	309 270 372

26.Creditors and other credit balances

EGP	September 30, 2018	December 31, 2017
Advances from customers	86 437 611	36 433 864
Accrued expenses	989 294	328 752
Accrued development fees	17 604 766	10 287 355
Accrued customers rebates	48 196 068	23 743 123
Accrued taxes	36 704 356	28 433 908
Accrued interest	10 999 713	7 723 399
Retention	6 250 674	6 803 075
TOTAL	207 182 482	113 753 476

27.Related party transactions

During the period, entity entities entered into the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			September 30, 2018	September 30, 2017
Andalus Concrete Company	Subsidiary	Sales	20 299 171	14 975 583
ACC for Management and Trading Company	Subsidiary	Services	31 628 155	15 866 868
Andalus Reliance for Mining Company	Joint Venture	Purchases	23 613 819	34 966 588
Evolve Investment & Projects Management Company	Subsidiary	Payments on behalf	--	1 581 705

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The following balances were outstanding at the end of the reporting period / year:

EGP	Due from related parties		Due to related parties	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Andalus Concrete Company	6 877 640	6 547 243	--	--
Evolve Investment & Projects Management Company	1 998 708	2 840 156	--	--
ACC for Management and Trading Company	1 729 044	1 446	--	454 344
Aridos Jativa	500	--	--	--
Cementos La Union – Spain Company	--	--	1 488 812	1 999 089
Andalus Reliance for Mining Company	--	--	1 785 587	5 426 754
TOTAL	10 605 892	9 388 845	3 274 399	7 880 187

- Andalus Concrete Company purchases cement materials and products from Arabian Cement Company, which are used for manufacturing and trading concrete and construction materials.
- Aridos Jativa Company renders consulting services for Arabian Cement Company.
- ACC for Management and Trading Company renders managerial services for Arabian Cement Company.
- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplied the raw materials for Arabian Cement Company.

28. Operating lease arrangements

28.1 The entity as lessee

28.1.1 Leasing arrangements

Operating leases relates to car lease with lease terms of between 2 to 4 years. The entity (as a lessee) does have an option to purchase these leased assets at the expiry of the lease periods.

28.1.2 Payments recognised as an expense in the period

EGP	September 30, 2018	September 30, 2017
Minimum lease payments	401 372	894 160
TOTAL	401 372	894 160

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28.1.3 Non-cancellable operating lease commitments

EGP	Total of future minimum lease payments	
	September 30, 2018	December 31, 2017
No longer than 1 year	487 884	823 880
Longer than 1 year and not longer than 5 years	49 810	361 262
TOTAL	537 694	1 185 142

29. Restate the comparison figures

The comparative figures have been restated as a result of the reclassification of some items from spare parts inventory to fixed assets as shown in the table below and there is no impact of this amendment on the statement of profits or losses.

EGP	2017 Before restating	Reclassification	2017 After restating
Effect on statement of financial position			
Fixed Assets (Net)	2 356 184 632	21 055 938	2 377 240 570
Spare parts inventory	27 304 991	(21 055 938)	6 249 053

30. Commitments for expenditure

The capital commitment as of September 30, 2018 amounted to EGP 9 624 835 related to fixed assets acquisitions.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer



Allan Hestbech
 Chief Financial Officer

