



**Hilal Cement Company K.S.C.P.
and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2019



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working world**

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF HILAL CEMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Hilal Cement Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2019, and the related interim condensed consolidated statement of comprehensive income and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

Scope of review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw attention to Note 4 to the interim condensed consolidated financial information which describes the uncertainty related to the outcome of the lawsuit filed against the Group by Kuwait Port Authority. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2019 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2019
Kuwait

Hilal Cement Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 31 March 2019

	Note	Three months ended 31 March	
		2019 KD	2018 KD
Revenue from contracts with customers		5,435,346	5,761,934
Cost of sales		(4,622,535)	(5,057,046)
GROSS PROFIT		812,811	704,888
Other income		299,248	54,115
Other expenses		(505,341)	(421,044)
(Reversal of) provision for allowance for expected credit losses		300,871	(139,158)
Net foreign exchange differences		(1,811)	2,304
OPERATING PROFIT		905,778	201,105
Finance costs		(22,465)	(18,546)
PROFIT FOR THE PERIOD BEFORE TAX AND DIRECTORS' REMUNERATION		883,313	182,559
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(8,235)	(885)
National Labour Support Tax (NLST)		(15,219)	(6,406)
Zakat		(2,983)	(1,256)
Directors' remuneration		(6,550)	(6,600)
PROFIT FOR THE PERIOD		850,326	167,412
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		850,326	167,412
Attributable to:			
Equity holders of the Parent Company		872,938	89,317
Non-controlling interests		(22,612)	78,095
		850,326	167,412
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	3	8.6 Fils	0.9 Fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Hilal Cement Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2019

	Notes	31 March 2019 KD	(Audited) 31 December 2018 KD	(Restated)* 31 March 2018 KD
ASSETS				
Non-current assets				
Property, plant and equipment	4	4,543,731	4,605,691	4,914,210
Goodwill		3,241,484	3,241,484	4,179,257
Term deposits		60,000	60,000	-
		<u>7,845,215</u>	<u>7,907,175</u>	<u>9,093,467</u>
Current assets				
Inventories		1,412,275	1,574,976	1,138,379
Accounts receivable and prepayments		6,587,819	6,293,287	6,937,100
Cash and short-term deposits	5	7,825,737	6,604,532	5,970,768
		<u>15,825,831</u>	<u>14,472,795</u>	<u>14,046,247</u>
TOTAL ASSETS		<u>23,671,046</u>	<u>22,379,970</u>	<u>23,139,714</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	6	10,146,213	10,146,213	10,146,213
Statutory reserve		2,096,776	2,096,776	2,096,776
Voluntary reserve		2,096,776	2,096,776	2,096,776
Retained earnings/(Accumulated losses)		363,411	(509,527)	(351,462)
Equity attributable to the equity holders of the Parent Company		<u>14,703,176</u>	<u>13,830,238</u>	<u>13,988,303</u>
Non-controlling interests		1,168,539	1,191,151	1,138,199
Total equity		<u>15,871,715</u>	<u>15,021,389</u>	<u>15,126,502</u>
Non-current liabilities				
Loan from a related party	7	1,082,900	1,082,900	1,082,900
Employees' end of service benefits		794,663	786,627	761,716
		<u>1,877,563</u>	<u>1,869,527</u>	<u>1,844,616</u>
Current liabilities				
Loan from a related party	7	500,000	500,000	750,000
Accounts payable and accruals		5,421,768	4,989,054	5,418,596
		<u>5,921,768</u>	<u>5,489,054</u>	<u>6,168,596</u>
Total liabilities		<u>7,799,331</u>	<u>7,358,581</u>	<u>8,013,212</u>
TOTAL EQUITY AND LIABILITIES		<u>23,671,046</u>	<u>22,379,970</u>	<u>23,139,714</u>

* Certain amounts do not correspond to the interim condensed consolidated financial information for the period ended 31 March 2018; and reflect adjustments made as explained in Note 10.

Sayed Salah Sayed Hashem Al Tabtabaei
Chairman

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Hilal Cement Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2019

	Attributable to equity holders of the Parent Company						Total KD
	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Retained earnings/ (Accumulated losses) KD	Sub-total KD	Non-controlling interests KD	
As at 1 January 2019 <i>(Audited)</i>	10,146,213	2,096,776	2,096,776	(509,527)	13,830,238	1,191,151	15,021,389
Profit/(loss) for the period	-	-	-	872,938	872,938	(22,612)	850,326
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	872,938	872,938	(22,612)	850,326
At 31 March 2019	10,146,213	2,096,776	2,096,776	363,411	14,703,176	1,168,539	15,871,715
As at 1 January 2018 <i>(Audited)</i>	10,146,213	2,096,776	2,096,776	(373,035)	13,966,730	1,072,187	15,038,917
Transition adjustment on initial application of IFRS 9	-	-	-	(67,744)	(67,744)	(12,083)	(79,827)
Adjusted balance on 1 January 2018 <i>(restated)</i>	10,146,213	2,096,776	2,096,776	(440,779)	13,898,986	1,060,104	14,959,090
Profit for the period	-	-	-	89,317	89,317	78,095	167,412
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	89,317	89,317	78,095	167,412
At 31 March 2018 <i>(restated)*</i>	10,146,213	2,096,776	2,096,776	(351,462)	13,988,303	1,138,199	15,126,502

* Certain amounts do not correspond to the interim condensed consolidated financial information for the period ended 31 March 2018; and reflect adjustments made as explained in Note 10.

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Hilal Cement Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the three months ended 31 March 2019

	Notes	Three months ended	
		31 March	
		2019	2018
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		850,326	167,412
<i>Non-cash adjustments to reconcile profit for the period to net cash flows:</i>			
Interest income		(39,480)	(17,578)
Gain on disposal of property, plant and equipment		-	(19,488)
Depreciation		317,364	217,279
(Reversal of) provision for allowance for expected credit losses		(300,871)	139,158
Provision for employees' end of service benefits		31,820	20,504
Finance costs		22,465	18,546
		<u>881,624</u>	<u>525,833</u>
<i>Working capital adjustments:</i>			
Inventories		162,701	550,947
Accounts receivable and prepayments		29,348	(1,230,791)
Accounts payable and accruals		169,585	1,094,109
		<u>1,243,258</u>	<u>940,098</u>
Cash flows from operations		1,243,258	940,098
Employees' end of service benefits paid		(23,784)	(1,193)
Interest income received		16,471	17,578
		<u>1,235,945</u>	<u>956,483</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	-	(1,228,389)
Proceeds from disposal of property, plant and equipment		-	20,249
		<u>-</u>	<u>(1,208,140)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Proceeds from a related party loan	7	-	750,000
Finance costs paid		(14,740)	(5,010)
		<u>(14,740)</u>	<u>744,990</u>
Net cash flows (used in)/from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>1,221,205</u>	<u>493,333</u>
Cash and cash equivalents at 1 January		<u>6,604,532</u>	<u>5,417,435</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH		<u><u>7,825,737</u></u>	<u><u>5,910,768</u></u>
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Transitional adjustment to trade and other receivables on adoption of IFRS 9		-	(79,827)
Transitional adjustment to property, plant and equipment on adoption of IFRS 16		2.2 (255,404)	-
Transitional adjustment to accounts payable and accruals on adoption of IFRS 16		2.2 255,404	-

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Hilal Cement Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

1 CORPORATE INFORMATION AND ACTIVITIES

The interim condensed consolidated financial information of Hilal Cement Company K.S.C.P. (the "Parent Company") and its Subsidiaries (collectively, the "Group") for the three months ended 31 March 2019 was authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 14 May 2019.

The Parent Company was established as a Kuwaiti Shareholding Company on 19 January 1984 and is listed in Boursa Kuwait. The principal activities of the Parent Company are import, storage and distribution of cement and other bulk materials; establishing, operating and managing storage silos; acquiring interest in other companies engaged in similar activities and investing surplus funds through portfolio managers in shares of investment and real estate companies.

The registered office of the Parent Company is located in Marzouk Tower, 19th floor, Building 3, Al-Qibla, Block 14 and the postal address is P.O. Box 20732, 13068, Safat, Kuwait.

The Parent Company is a subsidiary of Suez Cement Company S.A.E. (the "Ultimate Parent Company"), a Company registered in Egypt and its registered head office is located at P.O. Box 2691, Cairo - Egypt.

The shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 1 May 2019 approved the consolidated financial statements for the year ended 31 December 2018.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group, for the three months ended 31 March 2019 has been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain reclassifications have been made to conform the prior period's financial information and notes thereto to current period's presentation. In addition, the Group restated comparative information due to a retrospective restatement (See Note 10).

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standards, interpretations or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 *Leases*. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial information of the Group.

IFRS 16 'Leases' ("IFRS 16")

The Group has adopted IFRS 16 issued in January 2016 with a date of initial application of 1 January 2019. IFRS 16 replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Group, as a lessee, has adopted the following accounting policy in respect of its leases:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

IFRS 16 'Leases' ("IFRS 16") (continued)

At inception of a contract, the Group assesses whether the contract is a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. If the contract is identified as a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective profit rate method.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. Lease liabilities and right-of-use of assets were both recorded at the present value of future lease payments, thus no impact was recorded on the retained earnings as at 1 January 2019. The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'accounts payables and accruals' in the interim condensed consolidated financial information.

The impact on the interim condensed consolidated statement of financial position (increase/(decrease)) as at 1 January 2019:

	<i>KD</i>
Assets	
Property, plant and equipment	255,404
Total assets	<u>255,404</u>
Liabilities	
Accounts payable and accruals	255,404
Total liabilities	<u>255,404</u>
	<i>Three months ended</i>
	<i>31 March 2019</i>
	<i>KD</i>
Depreciation expense on right-of-use assets	63,852
Total amounts recognised in interim condensed consolidated statement of profit or loss	<u>63,852</u>

Hilal Cement Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

3 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

Basic and diluted earnings per share attributable to the equity holders of the Parent Company is calculated by dividing the profit for the period attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2019</i>	<i>2018</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<u>872,938</u>	<u>89,317</u>
Weighted average number of shares outstanding during the period	<u>101,462,130</u>	<u>101,462,130</u>
Basic and diluted earnings per share	<u>8.6 Fils</u>	<u>0.9 Fils</u>

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

4 PROPERTY, PLANT AND EQUIPMENT

On 29 January 2009, the Parent Company received a notice from Kuwait Port Authority (KPA) to vacate the premises of KPA and remove the barge with a carrying value of KD 1,365,575 (31 December 2018: KD 1,435,846; 31 March 2018: KD 1,646,660) owned by the Parent Company which is moored alongside the berth owned by KPA. A verdict was issued by the Court of First Instance on 8 May 2014 in favour of the Parent Company and KPA has filed an appeal in the 'Court of Appeal'. On 16 April 2017, a verdict was issued against the Parent Company and the Parent Company has filed an appeal in the 'Court of Cassation'. Based on the legal advice received, management believes that there will be no material consequential impact on Group's interim condensed consolidated financial information.

On 23 October 2014, the Parent Company received a notice from KPA requesting on the increase in rental charges. As at 31 March 2019, the management has not entered into any new contract with KPA. However, a provision for rental expenses was made as per the new rates mentioned in the notice received from KPA. Based on the legal advice, management is of the view that the new rental charges are applicable prospectively, hence no provision was made for previous periods.

During the three-month period ended 31 March 2019, the Group acquired assets with a cost of Nil (31 December 2018: KD 1,676,940; 31 March 2018: KD 1,288,389) relating to the installation of concrete pumps, mixers and ice plant and purchasing motor vehicles in certain subsidiaries. The net disposals for the period amounted to Nil (31 December 2018: KD 763; 31 March 2018: KD 763).

Hilal Cement Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

5 CASH AND SHORT-TERM DEPOSITS

For the purpose of interim condensed consolidated statement of cash flows, cash and short-term deposits comprise the following:

	<i>31 March</i> <i>2019</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2018</i> <i>KD</i>	<i>31 March</i> <i>2018</i> <i>KD</i>
Cash at bank and in hand	1,455,737	1,484,532	1,940,768
Term deposits	6,370,000	5,120,000	4,030,000
	<u>7,825,737</u>	<u>6,604,532</u>	<u>5,970,768</u>
Less: Restricted deposits	-	-	(60,000)
Cash and cash equivalents	<u><u>7,825,737</u></u>	<u><u>6,604,532</u></u>	<u><u>5,910,768</u></u>

6 EQUITY

Share capital

The authorised, issued and paid-up capital of the Parent Company comprises of 101,462,130 ordinary shares of 100 fils each (31 December 2018: 101,462,130 shares of 100 fils each and 31 March 2018: 101,462,130 shares of 100 fils each).

Dividends

At the AGM held on 1 May 2019, the shareholders of the Parent Company approved the distribution of cash dividends of 15 fils per share amounting to KD 1,521,932.

The cash dividend will be paid through distributable reserves as retained earnings are not sufficient for the payment of such dividend.

7 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of payment for these transactions are approved by the Parent Company's management.

The following tables show the aggregate value of transactions and outstanding balances with related parties:

Interim condensed consolidated statement of profit or loss:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2019</i>	<i>2018</i>
Cost of goods sold	2,113,361	1,653,236
Administrative expenses	5,924	23,997
Finance costs	19,411	16,155

Interim condensed consolidated statement of financial position:

		<i>Accounts</i> <i>receivable and</i> <i>prepayments</i> <i>KD</i>	<i>Accounts</i> <i>payable and</i> <i>accruals</i> <i>KD</i>	<i>Loan from</i> <i>related parties</i> <i>KD</i>
Associate	31 March 2019	15,228	-	-
	31 December 2018 (<i>Audited</i>)	15,228	-	-
	31 March 2018	15,228	-	-
Other related parties	31 March 2019	-	1,136,660	1,582,900
	31 December 2018 (<i>Audited</i>)	-	802,108	1,582,900
	31 March 2018	780	930,997	1,832,900

Hilal Cement Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

7 RELATED PARTIES DISCLOSURES (continued)

Loan from a related party amounting to KD 1,082,900 (31 December 2018: KD 1,082,900; 31 March 2018: KD 1,082,900) carries an effective interest rate of 5% p.a. (31 December 2018: 5% p.a.; 31 March 2018: 5% p.a.) and is expected to be settled more than twelve months after the reporting period.

Loan from a related party amounting to KD 500,000 (31 December 2018: 500,000; 31 March 2018: 750,000) carries an effective interest rate of 4.4% p.a. and is expected to be settled within one year from the reporting period.

Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions related to key management personnel were, as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2019</i>	<i>2018</i>
	<i>KD</i>	<i>KD</i>
Salaries and short-term benefits	71,613	71,482
Directors' remuneration	6,550	6,600
	<u>78,163</u>	<u>78,082</u>

The Board of Directors at the meeting held on 4 March 2019 proposed directors' remuneration of KD 17,082 for the year ended 31 December 2018. The remuneration was approved by the shareholders at the AGM held on 1 May 2019.

8 CONTINGENCIES

As at 31 March 2019, the Group provided guarantees in the ordinary course of the business amounting to KD 306,000 (31 December 2018: KD 306,000; 31 March 2018: KD 306,000). No material liabilities are expected to arise.

9 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services and has two reportable operating segments i.e. trading materials and manufacturing materials. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment. The segment performance is evaluated based on operating loss or profit.

The following table presents revenue and profit information for the Group's operating segments for the three months ended 31 March 2019 and 31 March 2018, respectively:

<i>Three months ended</i>	<i>Trading</i>	<i>Manufacturing</i>		<i>Adjustments and</i>	
<i>31 March 2019</i>	<i>units</i>	<i>units</i>	<i>Total</i>	<i>eliminations</i>	<i>Consolidated</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Revenue</i>					
External customer	2,038,369	3,396,977	5,435,346	-	5,435,346
Inter-segment	1,017,466	-	1,017,466	(1,017,466)	-
Intra-segment	-	688,078	688,078	(688,078)	-
<i>Total revenue</i>	<u>3,055,835</u>	<u>4,085,055</u>	<u>7,140,890</u>	<u>(1,705,544)</u>	<u>5,435,346</u>
Depreciation	152,321	165,043	317,364	-	317,364
<i>Segment results</i>	<u>929,459</u>	<u>(46,146)</u>	<u>883,313</u>	<u>-</u>	<u>883,313</u>

Hilal Cement Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

9 SEGMENT INFORMATION (continued)

<i>Three months ended 31 March 2018</i>	<i>Trading units KD</i>	<i>Manufacturing units KD</i>	<i>Total KD</i>	<i>Adjustments and eliminations KD</i>	<i>Consolidated KD</i>
<i>Revenue</i>					
External customer	2,003,061	3,758,873	5,761,934	-	5,761,934
Inter-segment	1,043,079	-	1,043,079	(1,043,079)	-
Intra-segment	-	568,226	568,226	(568,226)	-
<i>Total revenue</i>	<u>3,046,140</u>	<u>4,327,099</u>	<u>7,373,239</u>	<u>(1,611,305)</u>	<u>5,761,934</u>
Depreciation	109,871	107,408	217,279	-	217,279
<i>Segment results</i>	<u>23,181</u>	<u>159,378</u>	<u>182,559</u>	<u>-</u>	<u>182,559</u>

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2019, 31 December 2018 and 31 March 2018, respectively:

	<i>Trading units KD</i>	<i>Manufacturing units KD</i>	<i>Total KD</i>	<i>Adjustments and eliminations KD</i>	<i>Consolidated KD</i>
<i>At 31 March 2019</i>					
Segment assets	<u>19,004,837</u>	<u>15,676,176</u>	<u>34,681,013</u>	<u>(11,009,967)</u>	<u>23,671,046</u>
Segment liabilities	<u>2,456,448</u>	<u>10,571,139</u>	<u>13,027,587</u>	<u>(5,228,256)</u>	<u>7,799,331</u>
<i>At 31 December 2018 (Audited)</i>					
Segment assets	<u>16,722,857</u>	<u>15,013,460</u>	<u>31,736,317</u>	<u>(9,356,347)</u>	<u>22,379,970</u>
Segment liabilities	<u>2,008,713</u>	<u>9,862,277</u>	<u>11,870,990</u>	<u>(4,512,409)</u>	<u>7,358,581</u>
<i>At 31 March 2018 (restated)</i>					
Segment assets	<u>16,994,695</u>	<u>16,543,673</u>	<u>33,538,368</u>	<u>(10,398,654)</u>	<u>23,139,714</u>
Segment liabilities	<u>2,067,372</u>	<u>11,500,556</u>	<u>13,567,928</u>	<u>(5,554,716)</u>	<u>8,013,212</u>

10 COMPARATIVE INFORMATION

During the prior interim period ended 31 March 2018, the Group did not adopt the new impairment requirements of IFRS 9 "Financial Instruments" as of 1 January 2018 (initial application date) and 31 March 2018 relating to the debt instruments not held at fair value through profit or loss, primarily trade and other receivables.

The correction of the above error has been accounted for retrospectively in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly the respective comparative amounts for the interim period ended 31 March 2018 has been restated to reflect the transitional provision of IFRS 9.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

10 COMPARATIVE INFORMATION (continued)

The following adjustments have been made to the comparative financial information:

<i>Interim condensed consolidated statement of financial position</i>	<i>As previously reported KD</i>	<i>Effect of restatement KD</i>	<i>After restatement KD</i>
<i>As at 31 March 2018</i>			
<i>Current assets</i>			
Accounts receivable and prepayments	<u>7,016,927</u>	<u>(79,827)</u>	<u>6,937,100</u>
<i>Equity</i>			
Accumulated losses	(283,718)	(67,744)	(351,462)
Non-controlling interests	1,150,282	(12,083)	1,138,199

The above retrospective application did not have a material effect on the Group's comparable previously reported statement of profit or loss for the three months period ended 31 March 2018.

For details on the transition adjustment on adoption of IFRS 9, please refer to the disclosures in the consolidated financial statements for the year ended 31 December 2018.