

**Fujairah Cement Industries P.J.S.C and its  
subsidiary  
Fujairah - United Arab Emirates  
Independent auditor's review report and  
condensed consolidated interim financial  
statements  
For the three months period ended March 31,  
2023 (Unaudited)**

**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

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**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**General information**

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Dibba, Fujairah, United Arab Emirates  
T: +971 9 244 4011  
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Website : [www.fujairahcement.com](http://www.fujairahcement.com)

The Directors	<u>Name</u>	<u>Nationality</u>
	Sheikh Mohammed Bin Hamad Saif Al Sharqi (Representative of Govt. Fujairah)	Emirati
	Mr. Abdel Ghafour Hashim Behroozian (Representative of Govt. Fujairah)	Emirati
	Representative of Govt. Abu Dhabi	Emirati
	Mr. Mohamed Sharief Habib Mohammed Rafeea Alawadh	Emirati
	Mr. Dhari Selfeeq Alshammary (Representative of ISDB-KSA)	Saudi
	Mr. Mohamed Saeed Al Dwisan	Kuwaiti
	Mr. Saad Abdullah Hussain Al Hanyan	Kuwaiti
	Mr. Yagoub MUSAAD Yagoub Albuaijan	Kuwaiti
	Mr. Abdul Latif Saad Abdul Latif Al Dosary	Kuwaiti

The Auditor : Crowe Mak  
P.O. Box: 6747  
Dubai - United Arab Emirates

The Main Banks : Commercial Bank of Dubai  
National Bank of Fujairah  
Abu Dhabi Commercial Bank  
Dubai Islamic Bank  
First Abu Dhabi Bank  
Burgan Bank  
Emirates NBD

**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**Directors' report**

The Directors have pleasure in presenting their report and the reviewed condensed consolidated interim financial statements for the period ended March 31, 2023.

**Principal activities of the Group**

The principal activities of Parent Entity and its subsidiary (collectively referred to as the "Group") are clinkers and hydraulic cement manufacturing, ready - mix and dry - mix concrete and mortars manufacturing, exporting and sand and pebble mines operation - crushers.

**Financial review**

The table below summarizes the results of three months period ended March 31, 2023 and March 31, 2022 denoted in Arab Emirates Dirham (AED).

	<b>Three months period ended March</b>	
	<b>31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>87,729,035</b>	87,616,083
Cost of sales	<b>(94,502,760)</b>	(90,046,398)
Gross loss	<b>(6,773,725)</b>	(2,430,315)
Gross loss %	<b>-7.72%</b>	-2.77%
Net loss	<b>(26,320,309)</b>	(15,416,283)
Net loss %	<b>-30.00%</b>	-17.60%

**Role of the Directors**

The Directors are the Group's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Group for delivering sustainable shareholder value through its guidance and supervision of the Group's business. The Directors set the strategies and policies of the Group. They monitor performance of the Group's business, guide and supervise its management.

**Going concern**

These condensed consolidated interim financial statements have been prepared under the going concern basis for the three months period ended March 31, 2023, despite the fact that the Group has incurred a loss of AED 26,320,309 and has accumulated losses which was offset against voluntary reserve as at the same date, also the current liabilities exceeded the current assets by AED 170,691,789 as at that date. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The major challenges of the period were the higher production cost due to the rising coal and fuel prices. In response to these challenges, the Group's management was able to increase the rate of cement in both local and international markets. The management is also exploring to enter other markets outside UAE to maximize the capacity utilization.

Management believes that the above actions and the feasibility of future plans by the Board of Directors will improve its ability to generate future profits and cash flows and continue its operations in the foreseeable future. Hence, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis.

**Events after period end**

In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Group.

Fujairah Cement Industries P.J.S.C  
Fujairah - United Arab Emirates


Directors' report (continued)

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the condensed consolidated interim financial statements for each financial period which presents fairly in all material respects, the financial position of the Group and its financial performance for the period then ended.

The condensed consolidated interim financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Group and enables them to ensure that the condensed consolidated interim financial statements comply with the requirements of applicable statute. The Directors also confirm that the accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial information are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2022, which are the latest audited consolidated financial statements available, that reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Group's financial conditions and results of its operations.

These condensed consolidated interim financial statements were approved by the Board and signed on behalf by the authorized representative of the Group.

  
\_\_\_\_\_  
Mohamed Bin Hamad Saif Al Sharqi  
Chairman  
May 11, 2023

  
\_\_\_\_\_  
Board Member

Ref: BN/A2983/May 2023

**Independent auditor's report on review of condensed consolidated interim financial statements**

To,  
The Board of Directors  
Fujairah Cement Industries P.J.S.C  
P. O. Box: 600  
Fujairah, United Arab Emirates

**Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of **Fujairah Cement Industries P.J.S.C** (the "Parent Entity") **and its subsidiary** (together referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at **March 31, 2023**, and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows for the three months period then ended and the explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with the IAS 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 to the condensed consolidated interim financial statements which states that the Group incurred a loss of AED 26,320,309 for the three months period ended March 31, 2023 (March 31, 2022: AED 15,416,283), the current liabilities exceeded the current assets by AED 170,691,789 as at that date (December 31, 2022: AED 145,009,363), and failed to meet some of the financial covenants as per bank facility letters. As stated in Note 2, these events or conditions, along with other matters as set forth in that Note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Emphasis of matter**

We draw attention to Note 15 that states that the Group's Board of Directors resolved to offset the losses for the period amounting to AED 26,320,309 against voluntary reserve as at March 31, 2023. Our conclusion is not modified in respect of this matter.

Independent auditor's report on review of condensed consolidated interim financial statements (continued)

**Other matters**

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 9, 2023 and included the following matters:

- 1) Material uncertainty related to going concern which states that the Group incurred a loss of AED 143,847,098 for the year ended December 31, 2022 and the accumulated losses of AED 87,523,797 was offset against the voluntary reserve as at 31 December 2022. The current liabilities exceeded the current assets by AED 145,009,363, and
- 2) Emphasis of Matter paragraph that states that the Group's Board of Directors resolved to offset the losses and/or the accumulated losses against voluntary reserve as at 31 December 2022.

Furthermore, the condensed consolidated interim financial information of the Group for the three months period ended March 31, 2022 were reviewed by the other auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on May 12, 2022.

For, Crowe Mak



Khalid Mehmood Chaudhry

Senior Partner

Registration Number 635

Dubai, U.A.E.

May 11, 2023

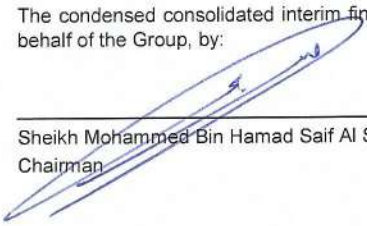
Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates

Condensed consolidated interim statement of financial position as at March 31, 2023 (Unaudited)  
In Arab Emirates Dirham

	<u>Notes</u>	<u>March 31, 2023</u>	<u>December 31,</u> <u>2022</u>
		(Unaudited)	(Audited)
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	5	1,109,154,661	1,122,192,578
Intangible assets	6	198,246	210,722
Right-of-use assets	8	97,338,377	99,778,553
<b>Total non-current assets</b>		<b>1,206,691,284</b>	<b>1,222,181,853</b>
<i>Current assets</i>			
Inventories	9	298,104,270	252,179,167
Trade receivables	10	63,503,547	60,983,308
Advances, deposits and other receivables	11	9,155,120	8,166,430
Cash and bank balances	12	1,289,022	1,323,554
<b>Total current assets</b>		<b>372,051,959</b>	<b>322,652,459</b>
<b>Total assets</b>		<b>1,578,743,243</b>	<b>1,544,834,312</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital	13	355,865,320	355,865,320
Statutory reserve	14	161,750,412	161,750,412
Revaluation reserve		34,747,500	34,747,500
Voluntary reserve	15	108,691,896	135,012,205
Accumulated losses	16	-	-
<b>Total equity</b>		<b>661,055,128</b>	<b>687,375,437</b>
<i>Non-current liabilities</i>			
Lease liabilities	8	113,532,869	112,705,265
Bank borrowings	17	237,422,158	234,038,621
Employees' end of service benefits	18	13,209,898	13,081,321
Trade and other payables	19	10,779,442	29,971,846
<b>Total non-current liabilities</b>		<b>374,944,367</b>	<b>389,797,053</b>
<i>Current liabilities</i>			
Lease liabilities	8	28,883,893	28,849,674
Bank borrowings	17	292,402,631	329,963,126
Trade and other payables	19	221,457,224	108,849,022
<b>Total current liabilities</b>		<b>542,743,748</b>	<b>467,661,822</b>
<b>Total liabilities</b>		<b>917,688,115</b>	<b>857,458,875</b>
<b>Total equity and liabilities</b>		<b>1,578,743,243</b>	<b>1,544,834,312</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
The review report of the auditor is set out on pages 4 and 5.

The condensed consolidated interim financial statements on pages 6 to 19 were approved on May 11, 2023 and signed on behalf of the Group, by:

  
Sheikh Mohammed Bin Hamad Saif Al Sharqi  
Chairman

  
Board Member



**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**Condensed consolidated interim statement of profit or loss and other comprehensive income for the three months period ended March 31, 2023 (Unaudited)  
In Arab Emirates Dirham**

	<u>Notes</u>	<b>Three months period ended March 31,</b>	
		<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>
Revenue	20	<b>87,729,035</b>	87,616,083
Cost of sales		<b>(94,502,760)</b>	(90,046,398)
Gross loss		<b>(6,773,725)</b>	(2,430,315)
Other income		<b>792,392</b>	1,284,212
Selling and distribution expenses		<b>(6,609,154)</b>	(5,071,199)
General and administrative expenses		<b>(3,118,123)</b>	(2,997,735)
Finance costs - bank borrowings		<b>(9,610,893)</b>	(5,154,951)
Finance costs - lease liabilities		<b>(1,000,806)</b>	(1,046,295)
<b>Net loss for the period</b>		<b>(26,320,309)</b>	(15,416,283)
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(26,320,309)</b>	(15,416,283)
<b>Basic loss per share</b>	21	<b>(0.074)</b>	(0.043)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
The review report of the auditor is set out on pages 4 and 5.

**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**Condensed consolidated interim statement of changes in equity for the three months period ended March 31, 2023 (Unaudited)  
In Arab Emirates Dirham**

	Share capital	Statutory reserve	Revaluation reserve	Voluntary reserve	Accumulated losses	Total equity
Balance as at December 31, 2021 (Audited)	355,865,320	161,750,412	34,747,500	222,536,002	56,323,301	831,222,535
Loss for the period	-	-	-	-	(15,416,283)	(15,416,283)
Balance as at March 31, 2022 (Unaudited)	<u>355,865,320</u>	<u>161,750,412</u>	<u>34,747,500</u>	<u>222,536,002</u>	<u>40,907,018</u>	<u>815,806,252</u>
Balance as at December 31, 2022 (Audited)	355,865,320	161,750,412	34,747,500	135,012,205	-	687,375,437
Loss for the period	-	-	-	-	(26,320,309)	(26,320,309)
Offsetting of loss for the period against voluntary reserve	-	-	-	(26,320,309)	26,320,309	-
<b>Balance as at March 31, 2023 (Unaudited)</b>	<b><u>355,865,320</u></b>	<b><u>161,750,412</u></b>	<b><u>34,747,500</u></b>	<b><u>108,691,896</u></b>	<b><u>-</u></b>	<b><u>661,055,128</u></b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.  
The review report of the auditor is set out on pages 4 and 5.

**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**Condensed consolidated interim statement of cash flows for the three months period ended March 31, 2023  
(Unaudited)**

**In Arab Emirates Dirham**

	Three months period ended March 31,	
	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Net loss for the period	(26,320,309)	(15,416,283)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	14,319,102	13,609,168
Depreciation on right-of-use assets	2,507,817	2,476,476
Amortization of intangible assets	12,476	1,367
Finance costs - bank borrowings	9,610,893	5,154,951
Finance costs - lease liabilities	1,000,806	1,046,295
Provision for employees' end of service benefits	381,228	423,479
	<u>1,512,013</u>	<u>7,295,453</u>
<i>(Increase) / decrease in current assets</i>		
Inventories	(45,925,103)	2,974,312
Trade receivables	(2,520,239)	4,105,306
Advances, deposits and other receivables	(988,690)	(547,399)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	<u>91,542,151</u>	<u>(8,443,723)</u>
<b>Cash generated from operations</b>	<b>43,620,132</b>	<b>5,383,949</b>
Employees' end-of-services benefits paid	(252,651)	(635,855)
<b>Net cash from operating activities</b>	<b>43,367,481</b>	<b>4,748,094</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,281,185)	(3,748,644)
<b>Net cash (used in) investing activities</b>	<b>(1,281,185)</b>	<b>(3,748,644)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	10,000,000	-
Repayment of term loans	(7,561,911)	(5,237,250)
(Repayment) / proceeds of other bank borrowings	(36,615,047)	10,589,681
Finance cost paid on bank borrowings	(7,737,246)	(6,070,329)
Repayment of lease liabilities	(170,763)	(132,791)
Payment of interest on lease liabilities	(35,861)	(18,584)
<b>Net cash (used in) financing activities</b>	<b>(42,120,828)</b>	<b>(869,273)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(34,532)</b>	<b>130,177</b>
Cash and cash equivalents, beginning of the period	<u>1,323,554</u>	<u>723,106</u>
<b>Cash and cash equivalents, end of the period</b>	<b><u>1,289,022</u></b>	<b><u>853,283</u></b>
<b>Cash and cash equivalents</b>		
Cash in hand	170,941	186,275
Cash at banks	<u>1,118,081</u>	<u>667,008</u>
	<b><u>1,289,022</u></b>	<b><u>853,283</u></b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The review report of the auditor is set out on pages 4 and 5.

**Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates**

**Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023 (Unaudited)**

## **1 Legal status and business activities**

- 1.1** Fujairah Cement Industries P.J.S.C - Fujairah (the "Parent Entity") is a public joint stock company incorporated in the Emirate of Fujairah - United Arab Emirates by an Amiri Decree issued by His Highness the Ruler of Fujairah on December 20, 1979. The Parent Entity's ordinary shares are listed in the Abu Dhabi Securities Exchange.
- 1.2** The principal activities of Parent Entity and its subsidiary (collectively referred to as the "Group") are clinkers and hydraulic cement manufacturing, ready - mix and dry - mix concrete and mortars manufacturing, exporting and sand and pebble mines operation - crushers.
- 1.3** The Parent Entity is domiciled in Fujairah and its registered address is P.O. Box: 600, Fujairah - United Arab Emirates.
- 1.4** The management is vested with Mr. Khaleil Saeed Obaid Mohamed Alnuaimi, Acting General Manager, Emirati National and control is vested with the Board of Directors.
- 1.5** These condensed consolidated interim financial statements incorporate the operating results of the industrial license no. 80001.
- 1.6** These condensed consolidated interim financial statements of the Parent Entity as at and for the period ended March 31, 2023 comprise the Parent Entity and its subsidiary. The details of the subsidiary is as follows.

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Commercial license no.</b>	<b>Legal and effective interests</b>	
				<b>March 2023</b>	<b>December 2022</b>
Fujairah Cement Industries P.J.S.C FZE	United Arab Emirates	Ready mixed concrete manufacturing	4203	100%	100%

## **2 Going concern**

These condensed consolidated interim financial statements have been prepared under the going concern basis despite the fact that, as at the period ended 31 March 2023, the Group has incurred a loss of AED 26,320,309, the current liabilities exceeded the current assets by AED 170,691,789 and failed to meet some of the financial covenants as per bank facility letters. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The major challenges of the period were the higher production cost due to the rising coal and fuel prices. In response to these challenges, the Group's management was able to increase the rate of cement in both local and international markets. The management is also exploring to enter other markets outside UAE to maximize the capacity utilization.

Management believes that the above actions and the feasibility of future plans by the Board of Directors will improve its ability to generate future profits and cash flows and continue its operations in the foreseeable future. Hence, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis.

## **3 Basis of preparation**

### **3.1 Statement of compliance**

These condensed consolidated interim financial information have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Group.

These condensed consolidated interim financial information have been prepared on the historical cost basis.

The accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial information are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2022 which are the latest audited consolidated financial statements available.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended December 31, 2022.

### **3 Basis of preparation (continued)**

#### **3.1 Statement of compliance (continued)**

These condensed consolidated interim financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022.

The condensed result for the three months period ended March 31, 2023 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2023.

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

In preparing this condensed consolidated interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

#### **3.2 Basis of consolidation**

The condensed consolidated interim financial statements consolidate the unaudited interim financial statements of the subsidiary referred to in Note 1.6, on line by line basis, with unaudited financial statements of the Parent Entity for the period. All significant inter group investments, receivables, payables and other such transactions are eliminated on consolidation.

### **4 Significant accounting policies**

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022. Certain amendments to accounting standards and annual improvements, as disclosed in the Group's most recent annual consolidated financial statements for the year ended December 31, 2022, are applicable to the Group but do not have any material impact on these condensed consolidated interim financial statements.

Fujairah Cement Industries P.J.S.C and its subsidiary  
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023 (Unaudited)  
In Arab Emirates Dirham

5 Property, plant and equipment

	Land	Factory buildings and leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicles and mobile plant	Tools and equipment	Quarry assets	Factory civil structures	Capital work in progress	Total
<b>Cost</b>										
As at December 31, 2021 (Audited)	34,997,500	30,712,750	2,031,544,356	4,388,925	27,032,732	13,241,361	31,949,125	129,286,686	24,804,677	2,327,958,112
Additions during the year	-	-	1,994,475	4,854	178,000	75,599	-	-	4,958,346	7,211,274
Transfers	-	362,382	4,224,264	9,010	11,727,129	209,410	-	-	(16,532,195)	-
Transfer to intangible assets	-	-	-	-	-	-	-	-	(249,517)	(249,517)
Transfer from inventories	-	-	1,745,564	-	-	-	-	-	71,035	1,816,599
As at December 31, 2022 (Audited)	34,997,500	31,075,132	2,039,508,659	4,402,789	38,937,861	13,526,370	31,949,125	129,286,686	13,052,346	2,336,736,468
Additions during the period	-	-	880,143	3,940	13,995	16,941	-	-	366,166	1,281,185
Transfers	-	713,000	605,065	-	-	-	-	-	(1,318,065)	-
<b>As at March 31, 2023 (Unaudited)</b>	<b>34,997,500</b>	<b>31,788,132</b>	<b>2,040,993,867</b>	<b>4,406,729</b>	<b>38,951,856</b>	<b>13,543,311</b>	<b>31,949,125</b>	<b>129,286,686</b>	<b>12,100,447</b>	<b>2,338,017,653</b>
<b>Accumulated depreciation</b>										
As at December 31, 2021 (Audited)	-	16,256,628	1,037,156,231	3,657,682	24,505,823	13,102,863	25,825,203	37,827,563	-	1,158,331,993
Charge for the year	-	791,393	47,142,912	250,727	2,884,618	105,353	926,080	4,110,814	-	56,211,897
As at December 31, 2022 (Audited)	-	17,048,021	1,084,299,143	3,908,409	27,390,441	13,208,216	26,751,283	41,938,377	-	1,214,543,890
Charge for the period	-	204,794	11,972,061	60,484	789,001	33,539	231,520	1,027,703	-	14,319,102
Reclassification during the period	-	(2,037,440)	278,501	-	-	-	-	1,758,939	-	-
<b>As at March 31, 2023 (Unaudited)</b>	<b>-</b>	<b>15,215,375</b>	<b>1,096,549,705</b>	<b>3,968,893</b>	<b>28,179,442</b>	<b>13,241,755</b>	<b>26,982,803</b>	<b>44,725,019</b>	<b>-</b>	<b>1,228,862,992</b>
<b>Carrying value as at March 31, 2023 (Unaudited)</b>	<b>34,997,500</b>	<b>16,572,757</b>	<b>944,444,162</b>	<b>437,836</b>	<b>10,772,414</b>	<b>301,556</b>	<b>4,966,322</b>	<b>84,561,667</b>	<b>12,100,447</b>	<b>1,109,154,661</b>
Carrying value as at December 31, 2022 (Audited)	34,997,500	14,027,111	955,209,516	494,380	11,547,420	318,154	5,197,842	87,348,309	13,052,346	1,122,192,578

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
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**5 Properties, plant and equipment (continued)**

Notes:

a) Land amounting to AED 34,997,500 is stated at fair value based on valuation by Land and Property Management, Dibba Municipality, Government of Fujairah, and the difference amounting to AED 34,747,500 was credited to revaluation reserve.

b) Part of the factory buildings and improvements, factory civil structures and plant and machinery are constructed/erected on leased land obtained from the Dibba Municipality, Government of Fujairah.

c) There is a registered chattel mortgage (being executed) over the Waste Heat Recovery based captive power plant expansion project included in plant and machinery mentioned above and an assignment of insurance policy covering the project in favour of the bank against bank borrowings (Note 17).

d) Insurance policy covering movable assets is assigned in favor of a bank against bank borrowings (Note 17).

e) Commercial mortgage over thermal power plant included in plant and machinery mentioned above, assignment of insurance policies covering the cement factory and thermal power plant and assignment of leasehold rights over the land on which the thermal power plant is located are provided as securities against bank borrowings (Note 17).

f) There is a registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 17) included in plant and machinery mentioned above.

g) Depreciation is fully charged to cost of sales.

h) Cost of fully depreciated property, plant and equipment that was still in use, at the end of the reporting period amounted to AED 355,054,735 (2022 : AED 354,785,226).

**6 Intangible assets**

The carrying value of the intangible assets are as follows:

	<b>March 31, 2023</b>	December 31, 2022
	<b>(Unaudited)</b>	(Audited)
Software	<b>198,246</b>	210,722
	<b>198,246</b>	210,722
	<b>Software</b>	<b>Total</b>
<b>Cost</b>		
Transfer from capital work-in-progress	249,517	249,517
As at December 31, 2022 (Audited)	249,517	249,517
<b>As at March 31, 2023 (Unaudited)</b>	<b>249,517</b>	<b>249,517</b>
<b>Accumulated amortisation</b>		
Charge for the year	38,795	38,795
As at December 31, 2022 (Audited)	38,795	38,795
Charge for the period	12,476	12,476
<b>As at March 31, 2023 (Unaudited)</b>	<b>51,271</b>	<b>51,271</b>
<b>Carrying value as at March 31, 2023 (Unaudited)</b>	<b>198,246</b>	<b>198,246</b>
Carrying value as at December 31, 2022 (Audited)	210,722	210,722

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
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**7 Related party transactions**

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24 'Related party disclosures'. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

	<b>March 31, 2023</b>	December 31, 2022
	<b>(Unaudited)</b>	(Audited)
<b>a) Due from related parties</b>		
Balances due from related parties (included in trade receivables)	<b>1,828,008</b>	1,820,532
	<b>1,828,008</b>	1,820,532
<b>b) Due to related parties</b>		
Balances due to related parties (included in trade and other payables)	<b>574,617</b>	242,432
	<b>574,617</b>	242,432

**c) Transactions with related parties**

The nature of significant related party transactions and the amounts involved were as follows:

	<b>Three months period ended March 31,</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
Sales	<b>1,057,676</b>	755,934
Purchases/service contracts	<b>150,304</b>	232,457
Construction of property, plant and equipment	<b>315,000</b>	19,425
<b>d) Key management personnel compensations</b>		
The compensation of key management personnel is as follows:		
Salaries and other benefits of key management staff	<b>831,518</b>	871,639

**8 Leases**

**a) Right-of-use assets**

The carrying value of the right-of-use assets is as follows:

<b>Cost</b>	<b>Vehicles and plots of land</b>
As at December 31, 2021 (Audited)	138,897,679
Additions during the year	315,953
As at December 31, 2022 (Audited)	139,213,632
Additions during the period	67,641
<b>As at March 31, 2023 (Unaudited)</b>	<b>139,281,273</b>



Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
(Unaudited)  
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8 Leases (continued)	Vehicles and plots of land
<b>Accumulated depreciation</b>	
As at December 31, 2021 (Audited)	29,252,204
Charge for the year	10,182,875
As at December 31, 2022 (Audited)	39,435,079
Charge for the period	2,507,817
<b>As at March 31, 2023 (Unaudited)</b>	<b>41,942,896</b>
<b>Carrying value as at March 31, 2023 (Unaudited)</b>	<b>97,338,377</b>
Carrying value as at December 31, 2022 (Audited)	99,778,553

b) Lease liabilities	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period / year	141,554,939	143,242,333
Additions during the period / year	67,641	315,953
Add: Interest charge during the period / year	1,000,806	4,137,363
Less: payments during the period / year	(206,624)	(6,140,710)
Balance at the end of the period / year	<b>142,416,762</b>	<b>141,554,939</b>
<b>Comprising:</b>		
Current portion	28,883,893	28,849,674
Non-current portion	113,532,869	112,705,265
	<b>142,416,762</b>	<b>141,554,939</b>

9 Inventories		
Spare parts	126,579,760	126,971,880
Semi-finished products	81,168,994	56,671,485
Burning media	68,171,339	75,099,758
Raw materials	13,458,107	16,056,468
Finished products	3,794,998	3,383,164
Bags and packing materials	772,883	735,336
	<b>293,946,081</b>	278,918,091
Less: Allowance for slow moving inventories	(26,816,605)	(26,816,605)
	<b>267,129,476</b>	252,101,486
Inventories in transit	30,974,794	77,681
	<b>298,104,270</b>	<b>252,179,167</b>

Movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of the period / year	26,816,605	20,702,113
Charge during the period / year	-	6,114,492
Balance at the end of the period / year	<b>26,816,605</b>	<b>26,816,605</b>

Insurance policy against the inventories is assigned against bank borrowings. (Note 17).

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
(Unaudited)  
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<b>10 Trade receivables</b>	<b>March 31, 2023</b>	December 31, 2022
	<u>(Unaudited)</u>	<u>(Audited)</u>
Trade receivables	<b>116,216,209</b>	113,695,970
Less: Allowance for expected credit losses	<b>(52,712,662)</b>	(52,712,662)
	<b><u>63,503,547</u></b>	<u>60,983,308</u>

Trade receivables are assigned against bank borrowings (Note 17).

**11 Advances, deposits and other receivables**

VAT receivable-net	<b>3,846,430</b>	4,559,553
Prepayments	<b>2,990,463</b>	858,554
Advances to suppliers	<b>1,337,396</b>	1,889,916
Deposits	<b>476,001</b>	476,001
Staff loans and advances	<b>106,819</b>	69,268
Other receivables	<b>398,011</b>	313,138
	<b><u>9,155,120</u></b>	<u>8,166,430</u>

**12 Cash and bank balances**

Cash in hand	<b>170,941</b>	117,415
Cash at banks	<b>1,118,081</b>	1,206,139
	<b><u>1,289,022</u></b>	<u>1,323,554</u>

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.

**13 Share capital**

Authorised, issued and paid up capital of the Parent Entity is AED 355,865,320 divided into 355,865,320 shares of AED 1 each fully paid.

**14 Statutory reserve**

Balance at the beginning of the period / year	<b>161,750,412</b>	161,750,412
Balance at the end of the period / year	<b><u>161,750,412</u></b>	<u>161,750,412</u>

According to the Articles of Association of the Parent Entity and UAE Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid up capital. In the current period, since the Group has incurred loss no transfer has been made. This reserve is not available for distribution.

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
(Unaudited)  
In Arab Emirates Dirham

15 Voluntary reserve	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period / year	135,012,205	222,536,002
Offsetting of loss for the period / year	(26,320,309)	(87,523,797)
Balance at the end of the period / year	<u>108,691,896</u>	<u>135,012,205</u>
<p>In prior years, 10% of the profits were appropriated to a voluntary reserve. As per Article 59 of the Articles of Association of the Parent Entity, the voluntary reserve may be used according to a resolution of the Board of Directors in the aspects that achieve the interests of the Parent Entity.</p> <p>The Board of Directors resolved to offset the losses and/or the accumulated losses of the Group against the voluntary reserve as at December 31, 2022, and thereafter in the future in the event that the Group is reporting losses.</p>		
16 Accumulated losses		
Balance at the beginning of the period / year	-	56,323,301
Net (loss) for the period / year	(26,320,309)	(143,847,098)
Offsetting of loss for the period / year against voluntary reserve	26,320,309	87,523,797
Balance at the end of the period / year	<u>-</u>	<u>-</u>
17 Bank borrowings		
<b>a) Bank - term borrowings:</b>		
Balance at the beginning of the period / year	269,838,162	253,585,059
Received during the period / year	10,000,000	44,009,878
Repaid during the period / year	(7,561,911)	(27,756,775)
<b>Total</b>	<u>272,276,251</u>	<u>269,838,162</u>
Current portion of bank - term borrowings	<u>34,854,093</u>	<u>35,799,541</u>
Non-current portion of bank - term borrowings	<u>237,422,158</u>	<u>234,038,621</u>
<b>b) Other bank borrowings:</b>		
Trust receipts	126,116,826	152,244,403
Short term loans	100,000,000	110,000,000
Bank overdrafts	31,431,712	31,919,182
	<u>257,548,538</u>	<u>294,163,585</u>
<b>c) Details of bank borrowings are as follows :</b>		
<b>i) Non-current portion</b>		
In the second year	57,914,849	48,484,250
In the third to fifth year	146,497,429	155,260,429
After five year	33,009,880	30,293,942
<b>Total</b>	<u>237,422,158</u>	<u>234,038,621</u>
<b>ii) Current portion</b>		
Bank borrowings	34,854,093	35,799,541
Other bank borrowings	257,548,538	294,163,585
	<u>292,402,631</u>	<u>329,963,126</u>
<p>Bank borrowings are presented in condensed consolidated interim statement of financial position as:</p>		
Current portion	292,402,631	329,963,126
Non-current portion	237,422,158	234,038,621
	<u>529,824,789</u>	<u>564,001,747</u>

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023  
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**17 Bank borrowings (continued)**

Securities:

- a). Registered charge over thermal power plant (including machinery) (Note 5).
- b). Registered chattel mortgage (to be executed) over the waste heat recovery based captive power plant expansion project (Note 5).
- c). Assignment of insurance policy for AED 437,363,133 covering factory on a pari passu basis (Note 5).
- d). Assignment of insurance policy for AED 236,891,000 covering the thermal power plant on a pari passu basis (Note 5).
- e). Assignment of insurance policy for AED 124,400,000 covering the waste heat recovery based captive power plant expansion project (Note 5).
- f). Assignment of insurance policies covering moveable assets on pari passu basis (Note 5).
- g). Assignment of leasehold rights (between the Group & Dibba Municipality) over the land on which the thermal power plant is located (Note 8).
- h). Assignment of insurance policy over inventories on pari passu basis (Note 9).
- i). General assignments of trade receivables in favor of the bank (Note 10).
- j). Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 5).
- k). Promissory note.

As at March 31, 2023, the Group failed to meet some of the financial covenants as per bank facility letters.

<b>18 Employees' end of service benefits</b>	<b>March 31, 2023</b>	December 31, 2022
	<b>(Unaudited)</b>	(Audited)
Balance at the beginning of the period / year	<b>13,081,321</b>	14,298,111
Add: charge for the period / year	<b>381,228</b>	1,379,860
Less: paid during the period / year	<b>(252,651)</b>	(2,596,650)
Balance at the end of the period / year	<b>13,209,898</b>	13,081,321

Amounts required to cover end of service indemnity at the condensed consolidated interim statement of financial position date are computed pursuant to the applicable labour law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

**19 Trade and other payables**

Trade payables	<b>206,393,055</b>	125,639,315
Accrued expenses	<b>9,123,460</b>	4,948,265
Advances from customers	<b>7,768,256</b>	711,703
Interest payable	<b>4,685,304</b>	2,811,657
Dividends payable	<b>3,944,983</b>	3,944,983
Other payables	<b>321,608</b>	764,945
	<b>232,236,666</b>	138,820,868

*Trade and other payables are presented in condensed consolidated interim statement of financial position as:*

Current portion	<b>221,457,224</b>	108,849,022
Non-current portion	<b>10,779,442</b>	29,971,846
	<b>232,236,666</b>	138,820,868

**Fujairah Cement Industries P.J.S.C and its subsidiary**  
**Fujairah - United Arab Emirates**

**Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2023**  
**(Unaudited)**  
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<b>20 Revenue</b>	<b>Three months period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue recognized at a point in time</b>		
<b>Sales:</b>		
Within U.A.E.	<b>42,681,948</b>	29,874,307
Other GCC countries	<b>30,150,371</b>	4,269,345
Other countries	<b>14,896,716</b>	53,472,431
	<b>87,729,035</b>	<b>87,616,083</b>
<b>21 Basic loss per share</b>		
Loss for the period (AED)	<b>(26,320,309)</b>	(15,416,283)
Weighted average number of shares	<b>355,865,320</b>	355,865,320
Basic loss per share (AED)	<b>(0.074)</b>	(0.043)

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding at the end of the reporting period. The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

<b>22 Contingencies and commitments</b>	<b>March 31, 2023</b>	December 31,
	<b>(Unaudited)</b>	<b>2022</b>
		<b>(Audited)</b>
Capital commitment for purchase of property, plant and equipment	<b>438,317</b>	497,817

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and commitments on Group's condensed consolidated interim financial statements as of reporting date.

**23 Reclassification**

During the period ended 31 March 2023, management has reclassified certain balances for the year ended December 31, 2022 within the condensed consolidated interim statement of financial position to provide a better understanding of the operations.