



HEAD OFFICE

P.O. Box : 600, FUJAIRAH
UNITED ARAB EMIRATES
Tel: 09-2223111
Fax: 09-2227718
Email: hofci79@fciho.ae
Email: hofci79@fujairahcement.com

Web Site: www.fujairahcement.com موقع على الإنترنت

المكتب الرئيسي المكتب الرئيسي

ص.ب : ٦٠٠ - الفجيرة
الإمارات العربية المتحدة
الهاتف : ٠٩-٢٢٢٣١١١
فاكس : ٠٩-٢٢٢٧٧١٨
البريد الإلكتروني : hofci79@fciho.ae
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Fujairah Cement Industries PJSC and its subsidiary

Fujairah - United Arab Emirates
Directors' report

The Directors have pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2023.

Principal activities of the Group

The Group's principal activities are clinkers and hydraulic cements 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 the year 2023 and 2022.

	2023 AED	2022 AED
Revenue	343,808,873	374,577,222
Direct expenses	(399,485,321)	(423,078,247)
Gross loss	(55,676,448)	(48,499,025)
Gross loss ratio	(16.19)%	(12.95)%
Net loss	(285,532,928)	(143,847,085)
Net loss ratio	(77.23)%	(38.40)%
Basic and diluted loss per share	(0.74)	(0.40)

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 their 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

The Group incurred a loss of AED 285,532,928 for the year ended December 31, 2023 (2022: AED 143,847,085), accumulated losses of AED 130,526,723 (2022: AED Nil), the current liabilities exceeded the current assets by AED 304,875,884 as at that date (2022: AED 145,009,363).

The consolidated financial statements have been prepared on a going concern basis. While preparing the consolidated financial statements the management has made an assessment of the Group's ability to continue as a going concern. The major challenge during the year was the higher production cost due to the rising coal and fuel prices. In response to the challenge, 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 consolidated financial statements have been prepared on a going concern basis. As part of the action plan, the management of the Group had decided to cease the operations of the subsidiary.

Events after year end

The Board of Directors, at the meeting held on 09 January 2024, decided to terminate the operations of the subsidiary with effective from 01 February 2024.





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فاكس: ٠٩-٢٢٢٧٧١٨

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Fujairah Cement Industries PJSC and its subsidiary

Fujairah - United Arab Emirates
Directors' report (continued)

Auditor

M/s. Crowe Mak - Dubai, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors' responsibilities

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

The audited consolidated financial statements for the year 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 consolidated financial position of the Group and enables them to ensure that the consolidated financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the consolidated financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Group's financial conditions and results of its operations.

The consolidated financial statements set out on pages 8 to 48, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:

H.E. Mohamed Bin Hamad Saif Al
Sharif
Chairman

28 March 2024

Board Member

