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المكتب الرئيسي

ص.ب: ٦٠٠ - الفجيرة
الإمارات العربية المتحدة
تليفون: ٠٩-٢٢٢٣١١١
فاكس: ٠٩-٢٢٢٧٧١٨

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Detailed analysis of accumulated losses

Date	01/08/2024
Name of the Listed Company	Fujairah Cement Industries PJSC.
Define the period of the financial statements	Q2-2024
Value of the Accumulated losses	AED. 219,143,590/-
Accumulated losses to capital ratio	61.58%
The main reasons leading to these accumulated losses and their history:	<p>Company is accumulating losses continuously from the financial year 2020.</p> <p>In the financial year 2020 & 2021, spread of COVID-19 has impacted the sales and other operational efficiencies of the entity which resulted in negative margins and net losses</p> <p>In the year 2022 and 2023 company reported significant losses. During these periods due to increased cost of coal / energy, lower selling prices of clinker, decline in revenue, increased logistics cost, increased finance cost, provision taken for obsolete / slow-moving inventory, write down of the inventory of finished & semi-finished products to the net realizable value, impairment on PPE of the subsidiary etc.</p> <p>Company's operations are suspended from 01.01.2024 due to major refurbishment activities initially and the suspension extended due to financial liquidity constraints thus the factory idle cost during the period also resulted in accumulating losses.</p>
Measures to be taken to address accumulated losses:	<p>Board of directors of the company engaged EY Consulting LLC as financial advisor to assist in accessing the options and support in the restructuring & turnaround process. Management along with newly appointed financial consultant EY Consultant LLC undertaking strategic review of options and related working capital requirements to assess resumption of company's operations</p> <p>Additionally, board of directors of the company recommended to offset the accumulated loss against statutory reserve of company which will be subject to shareholder's approval in the upcoming general assembly.</p>

Chairman

Mohamed Bin Hamad Bin Saif Alsharqi

