

Fujairah Cement Industries PJSC 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,
2025 (Unaudited)

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Table of contents

| | Pages |
|--|--------------|
| General information | 1 |
| Directors' report | 2 - 3 |
| Independent auditor's review report on condensed consolidated interim financial statements | 4 - 5 |
| Condensed consolidated interim statement of financial position | 6 |
| Condensed consolidated interim statement of profit or loss and other comprehensive income | 7 |
| Condensed consolidated interim statement of changes in equity | 8 |
| Condensed consolidated interim statement of cash flows | 9 |
| Notes to the condensed consolidated interim financial statements | 10 - 21 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

General information

Principal office address : M 202, Umm Al Quwain National Bank Building
P. O. Box: 600
Fujairah, United Arab Emirates
T: +971 9 222 3111
website: www.fujairahcement.com

Other office address : P. O. Box: 11477
Dibba, Fujairah, United Arab Emirates
T: +971 9 244 4011
F: +971 9 244 4016

| | <u>Name</u> | <u>Nationality</u> |
|-------------|---|--------------------|
| The Manager | : Mr. Saeed Ahmed Ghareib Howaishil Alsereidi | Emirati |

| | <u>Name</u> | <u>Nationality</u> |
|---------------|---|--------------------|
| The Directors | : H.E. Mohamed Bin Hamad Saif Al Sharqi (Representative of Govt. Fujairah) | Emirati |
| | : Mr. Abdul Ghafour Hashem Abdul Ghafour Behroozian Alawadhi (Representative of Govt. Fujairah) | Emirati |
| | : Mr. Mohamed Sharief Habib Mohamed Alawadhi | Emirati |
| | : Mr. Dhari Selfeeq Alshammary (Representative of ISDB-KSA) | Saudi |
| | : Mr. Saad Abdullah Hussain Al Hanyan | Kuwaiti |
| | : Mr. Yagoub MUSAAD Yagoub Albuaian | Kuwaiti |
| | : Mr. Abdul Latif Saad Abdul Latif Al Dosary | Kuwaiti |
| | : Mrs. Maryam Abdulla Mohamed Obaid Al Matrooshi | Emirati |
| | : Mr. Salem Mohamed Abdulla Mohamed Al Zahmi | Emirati |

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

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

**Fujairah Cement Industries PJSC 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, 2025.

Principal activities of the Group

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

It was decided to cease the operations of the subsidiary by the Board of Directors at the meeting held on January 09, 2024, and the operations of the subsidiary has been discontinued completely from February 01, 2024 and accordingly the results of the subsidiary has been shown as discontinued operations in this condensed consolidated interim financial statements.

Financial review

The table below summarizes the results of three months period ended March 31, 2025 and March 31, 2024 denoted in Arab Emirates Dirham (AED).

| | Three months period ended March 31, | |
|---|--|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Continuing operations | | |
| Revenue | 611,224 | 278,594 |
| Cost of sales | (599,312) | (373,444) |
| Gross profit / (loss) | 11,912 | (94,850) |
| Gross profit / (loss) % | 1.95% | -34.05% |
| Net loss | (34,697,398) | (37,364,339) |
| Net loss % | -5676.71% | -13411.77% |
| Discontinued operations | | |
| Revenue | - | 519,047 |
| Cost of sales | - | (878,428) |
| Gross loss | - | (359,381) |
| Gross loss % | 0.00% | -69.24% |
| Net loss | (1,134,160) | (977,513) |
| Net loss % | 0.00% | -188.33% |
| Basic and diluted loss per share from continuing operations | (0.098) | (0.105) |
| Basic and diluted loss per share from discontinued operations | (0.003) | (0.003) |

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.

**Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates**

Directors' report (continued)

Going concern

These condensed consolidated interim financial statements have been prepared under the going concern basis for the three months period ended March 31, 2025, despite the fact that the Group has incurred a loss of AED 35,831,558, accumulated losses of AED 187,853,579 and the current liabilities exceeded the current assets by AED 581,895,897 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 Board of Directors resolution to extend the temporary suspension of sales and production activities until further notice, effective from May 1, 2024, due to the Parent Entity's ongoing financial liquidity challenges at the Annual General Meeting held on April 25, 2024, continued in the three months period ended March 31, 2025.

Management is conducting a strategic review of options and related working capital requirements to evaluate the resumption of the Group's operations. Hence, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis. However, the management of the Group had decided to cease the operations of the subsidiary and the results of the operations of the subsidiary have been disclosed as discontinued operations.

Events after period end

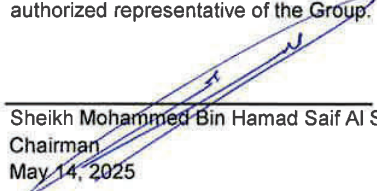
In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position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

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 consolidated financial position of the Group and its consolidated 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 consolidated 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, 2024, 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.



Sheikh Mohammed Bin Hamad Saif Al Sharqi
Chairman
May 14, 2025



Board Member

Ref: BN/A2983/May 2025

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

To,
The Shareholders
Fujairah Cement Industries PJSC
P. O. Box: 600
Fujairah, United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of **Fujairah Cement Industries PJSC** (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, 2025**, and the 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 these 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.

Basis for Adverse Conclusion

1. We refer to Note 2 to the condensed consolidated interim financial statements which states that the Group incurred a loss of AED 35,831,558 for the three months period ended March 31, 2025 (March 31, 2024: AED 38,341,852 and December 31, 2024: AED 183,251,710), accumulated losses aggregated AED 187,853,579 (December 31, 2024: AED 152,022,021) and the current liabilities continue to exceed the current assets and were in excess by AED 581,895,897 (December 31, 2024: AED 539,262,130) as at that date and the Parent Entity's inability to meet certain financial covenants as per bank facility letters continued in the three months period ended March 31, 2025. This situation indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, we have not been provided with the management's business plan that supports the viability of the Group's going concern and address its loss position.

Additionally, the Group has not performed impairment assessment on its plant, despite the presence of indicators of impairment, as the plant has remained idle throughout the period, leading to a significant decline in revenue generated from the plant. These factors trigger an impairment assessment under IAS 36 – Impairment of Assets and indicates that the recoverable amount of Property, Plant and Equipment and Right of Use assets might be lower than the carrying amount as stated in the condensed consolidated interim financial statements. Absence of formal impairment assessment represents a departure from the requirements of IAS 36 – Impairment of Assets and the effect of the departure on the condensed consolidated interim financial statements have not been determined.

Furthermore, the Group's management suspended the plant's operations, and the suspension continued throughout the three-month period ended March 31, 2025. As of the date of this report, operations remain suspended until further notice.

These events or conditions indicate that the use of going concern assumption in the preparation of these condensed consolidated interim financial statements continues to be not appropriate.

2. The Group incurred production idle costs of AED 21,511,068 for the three months period ended March 31, 2025. The Group has not estimated and accounted for further production idle costs for the period starting April 1, 2025, and until the date when the operations of the plant is expected to resume.

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

To the Shareholders of Fujairah Cement Industries PJSC and its subsidiary

Report on the review of condensed consolidated interim financial statements (continued)

Adverse Conclusion

Our review indicates that, because of the significance of matters described in the 'Basis for Adverse Conclusion' paragraph above, these condensed consolidated interim financial statements do not presents fairly, in all material respects, the financial position of the Group as on March 31, 2025, and its financial performance and its cash flows for three months period then ended in accordance with IAS 34 'Interim Financial Reporting'.

For, Crowe Mak



Basil Naser

Registration Number: 5507

Dubai, United Arab Emirates

May 14, 2025



Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Condensed consolidated interim statement of financial position as at March 31, 2025 (Unaudited)
In Arab Emirates Dirham

| | <u>Notes</u> | March 31, 2025 | December 31, 2024 |
|---|--------------|-----------------------|--------------------------|
| | | (Unaudited) | (Audited) |
| Assets | | | |
| <i>Non-current assets</i> | | | |
| Property, plant and equipment | 4 | 972,144,252 | 985,158,189 |
| Right-of-use assets | 6 | 73,096,758 | 75,469,017 |
| Total non-current assets | | 1,045,241,010 | 1,060,627,206 |
| <i>Current assets</i> | | | |
| Inventories | 7 | 95,397,163 | 95,989,551 |
| Trade receivables | 8 | 1,417,676 | 4,613,012 |
| Advances, deposits and other receivables | 9 | 6,882,793 | 5,616,659 |
| Cash and bank balances | 10 | 3,277,002 | 792,807 |
| Net assets relating to discontinued operations | 19 | - | 4,855,922 |
| Total current assets | | 106,974,634 | 111,867,951 |
| Total assets | | 1,152,215,644 | 1,172,495,157 |
| Equity and liabilities | | | |
| <i>Equity</i> | | | |
| Share capital | 11 | 355,865,320 | 355,865,320 |
| Revaluation reserve | | 34,747,500 | 34,747,500 |
| Accumulated losses | 14 | (187,853,579) | (152,022,021) |
| Total equity | | 202,759,241 | 238,590,799 |
| <i>Non-current liabilities</i> | | | |
| Lease liabilities | 6 | 86,085,370 | 85,258,657 |
| Bank borrowings | 15 | 169,864,168 | 192,894,526 |
| Employees' end of service benefits | 16 | 145,070 | 129,830 |
| Trade and other payables | 17 | 4,491,264 | 4,491,264 |
| Total non-current liabilities | | 260,585,872 | 282,774,277 |
| <i>Current liabilities</i> | | | |
| Lease liabilities | 6 | 51,558,670 | 51,558,670 |
| Bank borrowings | 15 | 363,287,640 | 340,190,398 |
| Trade and other payables | 17 | 271,442,147 | 259,381,013 |
| Net liabilities relating to discontinued operations | 19 | 2,582,074 | - |
| Total current liabilities | | 688,870,531 | 651,130,081 |
| Total liabilities | | 949,456,403 | 933,904,358 |
| Total equity and liabilities | | 1,152,215,644 | 1,172,495,157 |

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

The condensed consolidated interim financial statements on pages 6 to 20 were approved on May 14, 2025 and signed on behalf of the Group, by:

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

Sheikh Mohammed Bin Hamad Saif Al Sharqi
Chairman

Board Member

Fujairah Cement Industries PJSC 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, 2025 (Unaudited)
In Arab Emirates Dirham

| | Notes | Three months period ended March 31, | |
|--|-------|--|---------------------|
| | | 2025 (Unaudited) | 2024 (Unaudited) |
| Continuing operations | | | |
| Revenue | 18 | 611,224 | 278,594 |
| Cost of sales | | (599,312) | (373,444) |
| Gross profit / (loss) | | 11,912 | (94,850) |
| Other income | | 276,457 | 243,282 |
| Selling and distribution expenses | | (150,673) | (577,099) |
| General and administrative expenses | | (1,969,569) | (2,154,691) |
| Production idle cost | | (21,511,068) | (24,075,115) |
| Finance costs - bank borrowings | | (10,527,744) | (9,807,858) |
| Finance costs - lease liabilities | | (826,713) | (898,008) |
| Loss for the period from continuing operations | | (34,697,398) | (37,364,339) |
| Discontinued operations | | | |
| Loss for the period from discontinued operations | 19 | (1,134,160) | (977,513) |
| Net loss for the period | | (35,831,558) | (38,341,852) |
| Other comprehensive loss | | - | - |
| Total comprehensive loss for the period | | (35,831,558) | (38,341,852) |
| Total comprehensive loss for the period attributable to: | | | |
| Owners of the Group | | (35,831,558) | (38,341,852) |
| Total comprehensive loss for the period | | (35,831,558) | (38,341,852) |
| Basic and diluted loss per share from continuing operations | 20 | (0.098) | (0.105) |
| Basic and diluted loss per share from discontinued operations | 20 | (0.003) | (0.003) |

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

The review report of the auditor is set out on page 4 to 5.

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Condensed consolidated interim statement of changes in equity for the three months period ended March 31, 2025 (Unaudited)
In Arab Emirates Dirham

| | Share capital | Statutory reserve | Revaluation reserve | Accumulated losses | Attributable to owners of the Group | Total equity |
|--|--------------------|-------------------|---------------------|----------------------|-------------------------------------|--------------------|
| Balance as at December 31, 2023 (Audited) | 355,865,320 | 161,750,412 | 34,747,500 | (130,520,723) | 421,842,509 | 421,842,509 |
| (Loss) for the period from continuing operations | - | - | - | (37,364,339) | (37,364,339) | (37,364,339) |
| (Loss) for the period from discontinued operations | - | - | - | (977,513) | (977,513) | (977,513) |
| Balance as at March 31, 2024 (Unaudited) | 355,865,320 | 161,750,412 | 34,747,500 | (168,862,575) | 383,500,657 | 383,500,657 |
| Balance as at December 31, 2024 (Audited) | 355,865,320 | - | 34,747,500 | (152,022,021) | 238,590,799 | 238,590,799 |
| (Loss) for the period from continuing operations | - | - | - | (34,697,398) | (34,697,398) | (34,697,398) |
| (Loss) for the period from discontinued operations | - | - | - | (1,134,160) | (1,134,160) | (1,134,160) |
| Balance as at March 31, 2025 (Unaudited) | 355,865,320 | - | 34,747,500 | (187,853,579) | 202,759,241 | 202,759,241 |

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

The review report of the auditor is set out on page 4 to 5.

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Condensed consolidated interim statement of cash flows for the three months period ended March 31, 2025 (Unaudited)

In Arab Emirates Dirham

| | Three months period ended March 31, | |
|--|--|---------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Cash flows from operating activities | | |
| Loss for the period from continuing operations | (34,697,398) | (37,364,339) |
| Loss for the period from discontinued operations | (1,134,160) | (977,513) |
| <i>Adjustments for:</i> | | |
| Depreciation on property, plant and equipment | 13,081,458 | 13,583,289 |
| Loss on sale of property, plant and equipment from discontinued operations | 1,128,558 | - |
| Loss/(gains) on sale of property, plant and equipment | 282,479 | (40,000) |
| Depreciation on right-of-use assets | 2,372,259 | 2,418,437 |
| Finance costs - bank borrowings | 10,527,744 | 9,813,192 |
| Finance costs - lease liabilities | 826,713 | 929,669 |
| Provision for employees' end of service benefits | 138,247 | 210,429 |
| | (7,474,100) | (11,426,836) |
| <i>(Increase) / decrease in current assets</i> | | |
| Inventories | 732,675 | 110,413 |
| Trade receivables | 3,398,965 | 15,438,095 |
| Advances, deposits and other receivables | (1,266,134) | (949,093) |
| <i>Increase in current liabilities</i> | | |
| Trade and other payables | 1,422,456 | 2,313,063 |
| Cash generated from operations | (3,186,138) | 5,485,642 |
| Employees' end-of-services benefits paid | (123,007) | (4,586,740) |
| Net cash (used in) / generated from operating activities | (3,309,145) | 898,902 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment from discontinued operations | 2,026,000 | - |
| Transfer from discontinued operation | (350,000) | - |
| Gain on termination of lease liabilities | - | (5,196) |
| Proceeds from disposal of property, plant and equipment | - | 40,000 |
| Net cash from investing activities | 1,676,000 | 34,804 |
| Cash flows from financing activities | | |
| Net (payment) / receipts in trust receipts and overdrafts | 66,884 | 1,608,449 |
| Finance cost paid on bank borrowings | (122,598) | (1,787,373) |
| Repayment of term loans | - | (158,922) |
| Repayment of lease liabilities | - | (171,021) |
| Payment of interest on lease liabilities | - | (31,661) |
| Net cash used in financing activities | (55,714) | (540,528) |
| Net (decrease) / increase in cash and cash equivalents | (1,688,859) | 393,178 |
| Cash and cash equivalents, beginning of the period | 792,807 | 7,041,775 |
| Cash and cash equivalents, beginning of the period from discontinued operation | 4,184,848 | - |
| Cash and cash equivalents, end of the period | 3,288,796 | 7,434,953 |
| Cash and cash equivalents included in discontinued operations | (11,794) | (795,667) |
| Cash and cash equivalents for continuing operations | 3,277,002 | 6,639,286 |
| Cash and cash equivalents | | |
| Cash in hand | 151,917 | 334,964 |
| Cash at banks | 3,125,085 | 6,304,322 |
| | 3,277,002 | 6,639,286 |

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

The review report of the auditor is set out on page 4 to 5.

1 Legal status and business activities

- 1.1** Fujairah Cement Industries PJSC (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 13 February 1980. 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. Saeed Ahmed Ghareib Howaishil Alsereidi, General Manager, Emirati national
- 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, 2025 comprise the Parent Entity and its subsidiary. The details of the subsidiary is as follows.

| Name of subsidiary | Country of incorporation | Principal activities | Commercial license no. | Legal and effective interests | |
|--|--------------------------|------------------------------------|------------------------|-------------------------------|---------------|
| | | | | March 2025 | December 2024 |
| 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 for the three months period ended March 31, 2025, despite the fact that the Group has incurred a loss of AED 35,831,558, accumulated losses of AED 187,853,579 and the current liabilities exceeded the current assets by AED 581,895,897.

The Board of Directors resolution to extend the temporary suspension of sales and production activities until further notice, effective from May 1, 2024, due to the Parent Entity's ongoing financial liquidity challenges at the Annual General Meeting held on April 25, 2024, continued in the three months period ended March 31, 2025. Additionally, the Board of Directors, at the meeting held on 09 January 2024, had resolved to terminate the operations of the subsidiary with effect from 01 February 2024. The results for the period and balances as of March 31, 2025 related to the subsidiary are disclosed as discontinued operations.

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.

Management is conducting a strategic review of options and related working capital requirements to evaluate the resumption of the Group's operations. Hence, the accompanying consolidated financial statements have been prepared on a going concern basis. However, the management of the Group had decided to cease the operations of the subsidiary and the results of the operations of the subsidiary have been disclosed as discontinued operations.

3 Material accounting policy information

3.1 Basis of preparation

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

The accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial statements are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2024 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, 2024.

These condensed consolidated interim financial statements 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, 2024.

The condensed result for the three months period ended March 31, 2025 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2025.

The preparation of these condensed consolidated interim financial statements 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, 2024.

Except as described below, 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, 2024. 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, 2024, are applicable to the Group but do not have any material impact on these condensed consolidated interim financial statements.

Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

Corporate tax

The income tax expense for the period is the tax payable on the estimated average annual tax rate applied on current period's taxable profits. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

3 Material accounting policy information (continued)

3.1 Basis of preparation (continued)

Corporate tax (continued)

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

As per the Group's assessment, there is no deferred tax impact on account of the CT Law in the condensed interim financial statements for the period ended 31 March 2025. However, the Group will continue to monitor the publication of subsequent decisions and related guidelines, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

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 the unaudited interim financial statements of the Parent Entity for the period. All significant inter group investments, receivables, payables and other such transactions are eliminated on consolidation.

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025 (Unaudited)
In Arab Emirates Dirham

4 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 |
|--|-------------------|--|----------------------|------------------------|---------------------------|---------------------|-------------------|--------------------------|--------------------------|----------------------|
| Cost | | | | | | | | | | |
| As at December 31, 2023 (Audited) | 34,997,500 | 30,712,750 | 2,040,704,517 | 4,436,778 | 36,429,897 | 13,632,309 | 31,949,125 | 130,362,068 | 13,286,787 | 2,336,511,731 |
| Additions during the year | - | - | - | 4,680 | - | 12,713 | - | - | - | 17,393 |
| Disposals during the year | - | - | (15,910,749) | - | (210,500) | - | - | - | - | (16,121,249) |
| Transfers related to discontinued operations | - | - | (4,430,595) | (18,026) | (11,905,130) | (129,108) | - | (1,075,382) | (12,189,888) | (29,748,128) |
| As at December 31, 2024 (Audited) | 34,997,500 | 30,712,750 | 2,020,363,173 | 4,423,432 | 24,314,267 | 13,515,914 | 31,949,125 | 129,286,686 | 1,096,899 | 2,290,659,747 |
| Transfers from discontinued operations | - | - | - | - | 350,000 | - | - | - | - | 350,000 |
| Disposal during the period | - | - | - | - | (365,426) | - | - | - | - | (365,426) |
| As at March 31, 2025 (Unaudited) | 34,997,500 | 30,712,750 | 2,020,363,173 | 4,423,432 | 24,298,841 | 13,515,914 | 31,949,125 | 129,286,686 | 1,096,899 | 2,290,644,321 |
| Accumulated depreciation | | | | | | | | | | |
| As at December 31, 2023 (Audited) | - | 15,711,833 | 1,132,756,395 | 4,151,473 | 29,742,039 | 13,404,536 | 27,677,364 | 48,581,411 | 9,230,880 | 1,281,255,931 |
| Charge for the year | - | 746,323 | 46,581,642 | 215,924 | 577,086 | 89,101 | 926,081 | 4,113,691 | - | 53,249,848 |
| Disposal during the year | - | - | (10,808,045) | - | (210,500) | - | - | - | - | (11,018,545) |
| Transfers related to discontinued operations | - | - | (1,841,811) | (18,026) | (5,989,689) | (129,106) | - | (776,164) | (9,230,880) | (17,985,676) |
| As at December 31, 2024 (Audited) | - | 16,458,156 | 1,166,688,181 | 4,349,371 | 24,118,936 | 13,364,531 | 28,603,445 | 51,918,938 | - | 1,305,501,558 |
| Charge for the period | - | 186,581 | 11,569,995 | 40,507 | 6,406 | 18,746 | 231,520 | 1,027,703 | - | 13,081,458 |
| Disposal during the period | - | - | - | - | (82,947) | - | - | - | - | (82,947) |
| As at March 31, 2025 (Unaudited) | - | 16,644,737 | 1,178,258,176 | 4,389,878 | 24,042,395 | 13,383,277 | 28,834,965 | 52,946,641 | - | 1,318,500,069 |
| Carrying value as at March 31, 2025 (Unaudited) | 34,997,500 | 14,068,013 | 842,104,997 | 33,554 | 256,446 | 132,637 | 3,114,160 | 76,340,045 | 1,096,899 | 972,144,252 |
| Carrying value as at December 31, 2024 (Audited) | 34,997,500 | 14,254,594 | 853,674,992 | 74,061 | 195,331 | 151,383 | 3,345,680 | 77,367,748 | 1,096,899 | 985,158,189 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

4 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 15).

d) Insurance policy covering movable assets is assigned in favor of a bank against bank borrowings (Note 15).

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 15).

f) There is a registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 15) included in plant and machinery mentioned above.

g) Depreciation is charged to cost of sales and production idle cost.

h) Cost of fully depreciated property, plant and equipment that was still in use, at the end of the reporting period amounted to AED 356,509,950 (2024 : AED 374,335,299).

5 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.

| | March 31, 2025 | December 31, 2024 |
|--|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| a) Due to related parties | | |
| Balances due to related parties (included in trade and other payables) | | 14,568 |
| | - | 14,568 |

b) Transactions with related parties

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

| | Three months period ended March 31, | |
|-----------------------------|--|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Sales | - | 109,785 |
| Purchases/service contracts | - | |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

| | | Three months period ended March 31, | |
|--|--|--|--------------------------|
| | | 2025 | 2024 |
| | | (Unaudited) | (Unaudited) |
| 5 Related party transactions (continued) | | | |
| c) Key management personnel compensations | | | |
| The compensation of key management personnel is as follows: | | | |
| Salaries and other benefits of key management staff | | 522,456 | 500,951 |
| 6 Leases | | | |
| a) Right-of-use assets | | | |
| The carrying value of the right-of-use assets is as follows: | | | |
| Cost | | | Property |
| As at December 31, 2023 (Audited) | | | 139,281,274 |
| Transfer of assets related to discontinued operations | | | (6,878,051) |
| As at December 31, 2024 (Audited) | | | 132,403,223 |
| As at March 31, 2025 (Unaudited) | | | 132,403,223 |
| Accumulated depreciation | | | |
| As at December 31, 2023 (Audited) | | | 49,685,779 |
| Charge for the year | | | 9,489,034 |
| Transfer of assets related to discontinued operations | | | (2,240,607) |
| As at December 31, 2024 (Audited) | | | 56,934,206 |
| Charge for the period | | | 2,372,259 |
| As at March 31, 2025 (Unaudited) | | | 59,306,465 |
| Carrying value as at March 31, 2025 (Unaudited) | | | 73,096,758 |
| Carrying value as at December 31, 2024 (Audited) | | | 75,469,017 |
| b) Lease liabilities | | March 31, 2025 | December 31, 2024 |
| | | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | | 136,817,327 | 139,203,612 |
| Add: Interest charge during the period / year | | 826,713 | 3,400,118 |
| Less: payments during the period / year | | - | (379,204) |
| Less: Transfers related to discontinued operations | | - | (5,407,199) |
| Balance at the end of the period / year | | 137,644,040 | 136,817,327 |
| Comprising: | | | |
| Current portion | | 51,558,670 | 51,558,670 |
| Non-current portion | | 86,085,370 | 85,258,657 |
| | | 137,644,040 | 136,817,327 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

| | March 31, 2025 | December 31, 2024 |
|--|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| 7 Inventories | | |
| Spare parts | 130,283,669 | 130,400,046 |
| Semi-finished products | 30,964,719 | 31,333,113 |
| Burning media | 60,896,433 | 60,904,562 |
| Raw materials | 10,118,236 | 10,129,392 |
| Finished products | 768,508 | 803,127 |
| Bags and packing materials | 343,913 | 397,626 |
| | 233,375,478 | 233,967,866 |
| Less: Allowance for slow moving inventories | (140,581,233) | (140,581,233) |
| | 92,794,245 | 93,386,633 |
| Inventories in transit | 2,602,918 | 2,602,918 |
| | 95,397,163 | 95,989,551 |
| <i>Movement in allowance for slow moving inventories as at reporting date is as follows:</i> | | |
| Balance at the beginning of the period / year | 140,581,233 | 110,516,529 |
| Charge during the period / year | - | 30,064,704 |
| Balance at the end of the period / year | 140,581,233 | 140,581,233 |
| Insurance policy against the inventories is assigned against bank borrowings. (Note 15). | | |
| 8 Trade receivables | | |
| Trade receivables | 57,629,200 | 60,824,536 |
| Less: Allowance for expected credit losses | (56,211,524) | (56,211,524) |
| | 1,417,676 | 4,613,012 |
| Trade receivables are assigned against bank borrowings (Note 15). | | |
| 9 Advances, deposits and other receivables | | |
| VAT receivable-net | 2,756,157 | 2,562,316 |
| Prepayments | 1,166,370 | 316,101 |
| Advances to suppliers | 1,155,777 | 1,155,777 |
| Deposits | 337,575 | 337,575 |
| Staff loans and advances | 66,410 | 23,069 |
| Other receivables | 1,400,504 | 1,221,821 |
| | 6,882,793 | 5,616,659 |
| 10 Cash and bank balances | | |
| Cash at banks | 3,125,085 | 489,642 |
| Cash in hand | 151,917 | 303,165 |
| | 3,277,002 | 792,807 |

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.

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

11 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 1.00 each fully paid.

12 Statutory reserve

| | March 31, 2025 | December 31, 2024 |
|---|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | - | 161,750,412 |
| Offsetting of loss for the period against statutory reserve | - | (161,750,412) |
| Balance at the end of the period / year | - | - |

According to the Articles of Association of the Parent Entity and U.A.E. 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. This reserve is not available for distribution.

The Board of Directors resolved to offset the losses and/or the accumulated losses of the Group against the statutory reserve as on September 12, 2024. The reserve has been completely utilized to offset the partial loss as on December 31, 2024.

13 Revaluation reserve

| | | |
|---|-------------------|------------|
| Balance at the beginning of the period / year | 34,747,500 | 34,747,500 |
| Balance at the end of the period / year | 34,747,500 | 34,747,500 |

As at 31 December 2024, Land mentioned in Note 4 of AED 34,997,500 is stated at valuation by Land and Property Management - Dibba Municipality - Government of Fujairah and the difference amounting to AED 34,747,500 was credited to the revaluation reserve.

14 Accumulated losses

| | | |
|--|----------------------|---------------|
| Balance at the beginning of the period / year | (152,022,021) | (130,520,723) |
| Net (loss) for the period / year | (35,831,558) | (183,251,710) |
| Offsetting of loss for the period / year against voluntary reserve | - | 161,750,412 |
| Balance at the end of the period / year | (187,853,579) | (152,022,021) |

15 Bank borrowings

a) Long - term borrowings:

| | | |
|---|--------------------|-------------|
| Balance at the beginning of the period / year | 376,803,260 | 376,948,178 |
| Transfer from short term borrowings / received during the period / year | - | 59,383 |
| Repaid during the period / year | - | (204,301) |
| Total | 376,803,260 | 376,803,260 |
| Current portion of long - term borrowings | 206,939,092 | 183,908,734 |
| Non-current portion of long - term borrowings | 169,864,168 | 192,894,526 |

b) Other bank borrowings:

| | | |
|------------------|--------------------|-------------|
| Trust receipts | 82,357,603 | 82,357,603 |
| Short term loans | 40,000,000 | 40,000,000 |
| Bank overdrafts | 33,990,945 | 33,924,061 |
| | 156,348,548 | 156,281,664 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

15 Bank borrowings (continued)

| | March 31, 2025 | December 31, 2024 |
|---|-----------------------|--------------------------|
| c) Details of bank borrowings are as follows : | (Unaudited) | (Audited) |
| i) Non-current portion | | |
| In the second year | 72,898,038 | 85,150,337 |
| In the third to fifth year | 96,966,130 | 106,483,699 |
| After five years | - | 1,260,490 |
| Total | 169,864,168 | 192,894,526 |
| ii) Current portion | | |
| Bank borrowings | 206,939,092 | 183,908,734 |
| Other bank borrowings | 156,348,548 | 156,281,664 |
| | 363,287,640 | 340,190,398 |

Bank borrowings are presented in condensed consolidated interim statement of financial position as:

| | | |
|---------------------|--------------------|-------------|
| Current portion | 363,287,640 | 340,190,398 |
| Non-current portion | 169,864,168 | 192,894,526 |
| | 533,151,808 | 533,084,924 |

Securities:

- a). Registered charge over thermal power plant (including machinery) (Note 4).
- b). Registered chattel mortgage (to be executed) over the waste heat recovery based captive power plant expansion project (Note 4).
- c). Assignment of insurance policy for AED 437,363,133 covering factory on a pari passu basis (Note 4).
- d). Assignment of insurance policy for AED 236,891,000 covering the thermal power plant on a pari passu basis (Note 4).
- e). Assignment of insurance policy for AED 124,400,000 covering the waste heat recovery based captive power plant expansion project (Note 4).
- f). Assignment of insurance policies covering moveable assets on pari passu basis (Note 4).
- g). Assignment of leasehold rights (between the Group & Dibba Municipality) over the land on which the thermal power plant is located (Note 4).
- h). Assignment of insurance policy over inventories on pari passu basis (Note 7).
- i). General assignments of trade receivables in favor of the bank (Note 8).
- j). Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 4).
- k). Promissory note.

As at March 31, 2025, the Group failed to meet the below financial covenants as per bank facility letters.

Dubai Islamic Bank

- a). To maintain minimum tangible net worth of not less than AED 780 million.
- b). To maintain leverage ratio not exceeding 1.5:1 at all times.

Emirates NBD PJSC

- a). The ratio of EBITDA to debt services in respect of any relevant testing period shall not be less than 1.1 :1.

National bank of Fujairah

- a). To maintain leverage ratio not exceeding 1.5:1 or below.

Abudhabi Commercial Bank

- a). Tangible net worth must not be less than AED 830 million.
- b). Total liabilities to tangible net worth ratio must not be more than 1.20:1.
- c). Total debt to EBITDA ratio must not be more than 8:1.

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

| | March 31, 2025 | December 31, 2024 |
|---|--|--------------------------|
| | (Unaudited) | (Audited) |
| 16 Employees' end of service benefits | | |
| Balance at the beginning of the period / year | 129,830 | 10,073,845 |
| Add: charge for the period / year | 138,247 | 822,480 |
| Less: paid during the period / year | (123,007) | (10,766,495) |
| Balance at the end of the period / year | 145,070 | 129,830 |
| 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. | | |
| 17 Trade and other payables | | |
| Trade payables | 208,253,177 | 206,591,419 |
| Interest payable | 55,821,800 | 45,416,655 |
| Accrued expenses | 7,556,986 | 7,541,838 |
| Dividends payable | 3,158,634 | 3,158,634 |
| Advances from customers | 1,109,073 | 1,116,270 |
| Other payables | 33,741 | 47,461 |
| | 275,933,411 | 263,872,277 |
| <i>Trade and other payables are presented in condensed consolidated interim statement of financial position as:</i> | | |
| Current portion | 271,442,147 | 259,381,013 |
| Non-current portion | 4,491,264 | 4,491,264 |
| | 275,933,411 | 263,872,277 |
| 18 Revenue | Three months period ended March 31, | |
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Revenue recognized at a point in time | | |
| Sales: | | |
| Within U.A.E. | 611,224 | 81,264 |
| Other GCC countries | - | 197,330 |
| | 611,224 | 278,594 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

19 Discontinued operations

The Board of Directors has decided to terminate the operations of its 100% subsidiary Fujairah Cement Industries PJSC FZE which provides ready mixed concrete manufacturing services with effective from 01 February 2024, at the meeting held on 09 January 2024 and having registered office at Umm Al Qwain Bank Building, Mezzanine Floor-2(M2), Office No-203, Hamad Bin Abdulla Road, Fujairah, United Arab Emirates. Revenue and expenses, gains and losses relating to the discontinuation of this subsidiary have been eliminated from condensed consolidated interim statement profit or loss from the Group's continuing operations and are shown as a single line item in the condensed consolidated interim statement of profit or loss.

| | Three months period ended March 31, | |
|--|--|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Revenue | - | 519,047 |
| Cost of sales | - | (878,428) |
| Gross (loss) | - | (359,381) |
| Other income | 73,260 | 5,196 |
| General and administrative expenses | (835,889) | (287,491) |
| Provision for impairment of trade receivables | 139,386 | - |
| Provision for impairment of fixed asset | (510,917) | - |
| Production Idle Cost During Stoppage | - | (298,841) |
| Finance costs - bank borrowings | - | (5,334) |
| Finance costs - lease liabilities | - | (31,662) |
| Net (loss) for the period from discontinued operations | (1,134,160) | (977,513) |
| Cash flows from discontinued operations | | |
| Net cash inflow / (outflows) from operating activities | 105,290 | (176,122) |
| Net cash inflows from investing activities | 2,026,000 | - |
| Net cash (outflow) / inflows from financing activities | (6,304,343) | 381,170 |
| Net cash (outflows) / inflows | (4,173,054) | 205,048 |

The carrying amounts of assets and liabilities in the discontinued operations are summarized as follows:

| | March 31, 2025 | December 31, 2024 |
|---|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Assets | | |
| Property, plant and equipment | - | 3,154,558 |
| Right-of-use assets | 4,406,064 | 4,406,064 |
| Inventories | - | 140,287 |
| Trade and other receivables | 1,068,425 | 1,272,054 |
| Cash and bank balances | 11,794 | 4,184,848 |
| Liabilities | | |
| Lease liabilities | (4,652,893) | (4,652,893) |
| Trade and other payables | (3,415,464) | (3,648,996) |
| Net (liabilities) / assets relating to discontinued operations | (2,582,074) | 4,855,922 |

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the three months period ended March 31, 2025
(Unaudited)
In Arab Emirates Dirham

| 20 Basic and diluted loss per share | Three months period ended March 31, | |
|--|-------------------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Continuing operations | | |
| Loss for the period (AED) | (34,697,398) | (37,364,339) |
| Weighted average number of shares | 355,865,320 | 355,865,320 |
| Basic and diluted loss per share (AED) | (0.098) | (0.105) |
| Discontinued operations | | |
| Loss for the period (AED) | (1,134,160) | (977,513) |
| Weighted average number of shares | 355,865,320 | 355,865,320 |
| Basic and diluted loss per share (AED) | (0.003) | (0.003) |

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.

| 21 Contingencies and commitments | March 31, 2025 | December 31, 2024 |
|--|----------------|-------------------|
| | (Unaudited) | (Audited) |
| Capital commitment on capital work-in-progress | - | 2,097,250 |

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 the Group's condensed consolidated interim financial statements as of reporting date.

22 Tax

As per the Group's assessment, there is no current tax and deferred tax impact on account of the CT Law in the condensed consolidated interim financial statements for the period ended March 31, 2025. Amounts accrued for tax expense in an interim period may have to be adjusted in subsequent interim period if the estimate of the annual income tax rate changes. Based on the assessment, the Group has noted no deferred tax impact for the quarter ended March 31, 2025.