

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

**Auditor's review report
and Interim Condensed Consolidated Financial Statements
For the three months period ended March 31, 2026 (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

Principal 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:	Saeed Ahmed Ghareib Howaishil Alsereidi	U.A.E.

	<u>Name of Directors</u>	<u>Nationality</u>
Chairman:	H.E. Mohamed Bin Hamad Saif Al Sharqi (Representative of Govt. Fujairah)	U.A.E.
Vice Chairman:	Mr. Saad Abdullah AL Hanian	Kuwaiti
	Mrs. Maryam Abdulla Mohamed Obaid Almatrooshi	U.A.E.
	Mr. Salem Mohamed Abdulla Mohamed Alzahmi	U.A.E.
	Mr. Ahmed Rashed Ali Alabd Aldhanhani	U.A.E.
	Mr. Abdoullateef Saad Abdoullateef Aldosari	Kuwaiti
	Mr. Bandar Khaled Ibrahim Alhoweish - Representative Islamic Development Bank (KSA)	Saudian
	Mr. Abdul Ghafour Hashem Abdul Ghafour Bahroozian (Representative of Govt. Fujairah)	U.A.E.
	Mr. Mohamed Sharief Habib Mohamed Rafiee Alawadhi	U.A.E.

The Auditor: UHY James Chartered Accountants LLC
P.O. Box: 118863
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 P.J.S.C and its Subsidiary
Fujairah - United Arab Emirates

Directors' Report

The Directors have pleasure in presenting their report and the review of interim condensed consolidated financial statements of M/s. Fujairah Cement Industries P.J.S.C, Fujairah - United Arab Emirates (the "Parent") and its Subsidiary (collectively referred to as the "Group") for the period ended March 31, 2026.

Principal activities of the Group:

The Parent Entity is licensed to engage in manufacturing of clinkers & hydraulic cements, sand or pebbles mines operation (crushers) and exporting. The Subsidiary is licensed to engage in manufacturing of ready - mixed concrete.

Financial review:

The table below summarizes the results denoted in Arab Emirates Dirham (AED).

	For the three months period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Continuing Operations		
Revenue	158,741,884	611,224
Cost of Sales	(128,752,701)	(599,312)
Gross profit	29,989,183	11,912
Gross profit margin	19%	2%
Net profit /(loss)	5,677,905	(34,697,398)
Net profit /(loss) %	3.58%	-5676.71%
Discontinued Operations		
(Loss) for the period	-	(1,134,160)
Net (loss) %	-	-
Basic and diluted profit/(loss) per share from continuing operations	0.016	(0.098)
Basic and diluted profit/(loss) per share from discontinued operations	-	(0.003)

During the reporting date, the geopolitical tensions in some parts of the Middle East has emerged which may have potential future impact on business operations and financial stability. Given the evolving nature of these events, it is not possible for the management to assess the potential financial impact, if any, on its business operations. The management will continue to monitor these events and assess their potential impact on the business.

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.



Material uncertainty relating to going concern:

These interim condensed consolidated financial statements have been prepared under the going concern basis for the three months period then ended. The Group has accumulated losses of AED 242,898,267 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 733,718,222 ((December 31, 2025 (Audited): AED 682,460,600) as at the reporting period. 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 Management have agreed to provide necessary support to enable the Group to continue its operations and to settle its obligations as and when they fall due. Hence, these interim condensed consolidated financial statements have been prepared on a going concern basis.

Subsequent events after the reporting period:

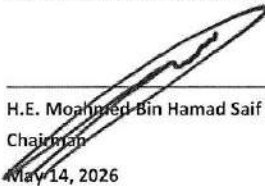
In the opinion of the Directors, no transactions or events of material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the interim condensed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

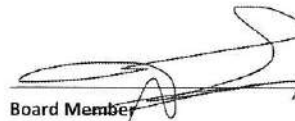
Statement of Management and Directors' responsibilities:

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

The interim condensed consolidated 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 interim condensed consolidated financial position of the Group and enables them to ensure that the interim condensed consolidated 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 interim condensed consolidated financial statement are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2025, 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 interim condensed consolidated financial statements were approved by the Board and signed on behalf by the authorized representative of the Group.


H.E. Moahmed Bin Hamad Saif Ali Sharqi
Chairman
May 14, 2026


Board Member



Ref: JM/AR/2026/26505

**Independent Auditor's Report on Review of Interim Condensed Consolidated
Financial Statements**

To,

The Shareholders

M/s. Fujairah Cement Industries P.J.S.C and its Subsidiary

Fujairah - United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **M/s. Fujairah Cement Industries P.J.S.C.** (the "Parent Entity") and its Subsidiary (collectively referred to as the "Group") which comprise the interim condensed consolidated statement of financial position as at March 31, 2026, and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity, cash flows for the three months period then ended and the other explanatory information.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the IAS 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated 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

We refer to note 2 to the interim condensed consolidated financial statements which states that the Group has accumulated loss of AED 242,898,267 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 733,718,222 (December 31, 2025 (Audited): AED 682,460,600) as at the reporting period and failed to meet certain financial covenants and repayment of bank borrowings, during the period then ended, on its bank borrowings (note 20) as per bank facility letters. These events or conditions indicate that the use of going concern assumption in the preparation of these interim condensed consolidated financial statements continues to be not appropriate.

Further, the Group has not performed impairment assessment on its plant, despite the presence of indicators of impairment, as the plant has remained idle until the Parent Entity had resumed the production activities on June 14, 2025. 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 interim condensed consolidated 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 interim condensed consolidated financial statements have not been determined.

Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Statements (continued)

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2025, presented as comparative information in these interim condensed consolidated financial statements, were audited by another auditor who expressed an adverse opinion on those consolidated financial statements in their auditor's report dated March 26, 2026.

Adverse Conclusion

Our review indicates that, because of the significance of the matters described in the "Basis for Adverse Conclusion" section of our report, the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the interim condensed consolidated financial position of the Group as at March 31, 2026, nor its interim condensed consolidated financial performance and interim condensed consolidated cash flows for the three months period then ended, in accordance with IAS 34 – Interim Financial Reporting.

For UHY James Chartered Accountants LLC


James Mathew FCA, CPA
Managing Partner
Reg. No. 548
May 14, 2026
Dubai - United Arab Emirates



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

Interim Condensed Consolidated Statement of Financial Position as at March 31, 2026 (Unaudited)
(In Arab Emirates Dirham)

	Notes	March 31, 2026 (Unaudited)	December 31, 2025 (Audited) (Restated)
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	6	920,080,814	933,055,633
Right-of-use assets	7	63,607,724	65,979,983
Total non-current assets		983,688,538	999,035,616
<i>Current assets</i>			
Inventories	10	119,073,968	234,134,489
Trade receivables	11	214,303	424,859
Advances, deposits and other receivables	12	23,993,416	4,432,769
Cash and bank balances	13	11,255,928	10,155,329
Total current assets		154,537,615	249,147,447
Total assets		1,138,226,153	1,248,183,063
Equity and liabilities			
<i>Equity</i>			
Share capital	14	355,865,320	355,865,320
Revaluation reserve	15	34,747,500	34,747,500
Accumulated (losses)	17	(242,898,267)	(248,576,172)
Total equity		147,714,553	142,036,648
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Employees' end of service benefits	18	527,283	389,316
Lease liabilities	19	85,258,658	63,859,137
Bank borrowings	20	16,469,823	109,391,664
Trade and other payables	21	-	898,251
Total non-current liabilities		102,255,764	174,538,368
<i>Current liabilities</i>			
Lease liabilities	19	55,412,257	76,060,908
Bank borrowings	20	511,160,459	424,512,596
Trade and other payables	21	318,583,909	427,678,208
Liabilities relating to discontinued operations	22	3,099,211	3,356,335
Total current liabilities		888,255,836	931,608,047
Total liabilities		990,511,600	1,106,146,415
Total equity and liabilities		1,138,226,153	1,248,183,063

The accompanying notes on pages 10 to 20 form an integral part of these interim condensed consolidated financial statements.

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

The interim condensed consolidated financial statements on pages 6 to 20 were approved on May 14, 2026 and signed on behalf of the Group, by:


H.E. Moahmed Bin Hamad Saif Ali Sharqi
Chairman


Board Member



Fujairah Cement Industries P.J.S.C and its Subsidiary

Fujairah - United Arab Emirates

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the three months period ended March 31, 2026 (Unaudited)

(In Arab Emirates Dirham)

	Notes	For the three months period ended	
		March 31, 2026	March 31, 2025
		(Unaudited)	(Unaudited)
<u>Continuing operations:</u>			
Revenue	23	158,741,884	611,224
Direct cost	24	(128,752,701)	(599,312)
Gross profit		29,989,183	11,912
Other income		393,119	276,457
Selling and distribution expenses		(6,564,371)	(150,673)
General and administrative expenses		(3,850,521)	(1,969,569)
Production idle cost	25	(2,536,838)	(21,511,068)
Finance costs		(11,752,667)	(11,354,457)
Profit/(loss) for the period before tax		5,677,905	(34,697,398)
<u>Discontinued operations</u>			
(Loss) for the period from discontinued operations	22	-	(1,134,160)
Tax expense	26	-	-
Profit/(loss) for the period after tax		5,677,905	(35,831,558)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		5,677,905	(35,831,558)
Basic and diluted profit/(loss) per share from continuing operations		0.016	(0.098)
Basic and diluted profit/(loss) per share from discontinued operations		-	(0.003)

The accompanying notes on pages 10 to 20 form an integral part of these interim condensed consolidated 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

Interim Condensed Consolidated Statement of Changes in Equity for the three months period ended March 31, 2026 (Unaudited)
(In Arab Emirates Dirham)

	<u>Share capital</u>	<u>Revaluation reserve</u>	<u>Accumulated (losses)</u>	<u>Total equity</u>
Balance as at January 01, 2025 (Audited)	355,865,320	34,747,500	(152,022,021)	238,590,799
(Loss) for the period from continuing operations	-	-	(34,697,398)	(34,697,398)
(Loss) for the period from discontinued operations	-	-	(1,134,160)	(1,134,160)
Balance as at March 31, 2025	<u>355,865,320</u>	<u>34,747,500</u>	<u>(187,853,579)</u>	<u>202,759,241</u>
(Loss) for the period from continuing operations - (Restated)	-	-	(60,841,713)	(60,841,713)
Profit for the period from discontinued operations	-	-	119,120	119,120
Balance as at December 31, 2025 (Audited - Restated)	355,865,320	34,747,500	(248,576,172)	142,036,648
Profit for the period from continuing operations	-	-	<u>5,677,905</u>	<u>5,677,905</u>
Balance as at March 31, 2026	<u>355,865,320</u>	<u>34,747,500</u>	<u>(242,898,267)</u>	<u>147,714,553</u>

The accompanying notes on pages 10 to 20 form an integral part of these interim condensed consolidated 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

Interim Condensed Consolidated Statement of Cash Flows for the three months period ended March 31, 2026
(Unaudited)

(In Arab Emirates Dirham)

	For the three months period ended	
	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Cash flows from operating activities		
Profit/(loss) for the period before tax	5,677,905	(34,697,398)
(Loss) for the period from discontinued operations	-	(1,134,160)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	13,044,563	13,081,458
Loss on sale of property, plant and equipment from discontinued	-	1,128,558
Loss on sale of property, plant and equipment	-	282,479
Depreciation on right-of-use assets	2,372,259	2,372,259
Finance costs	11,752,667	11,354,457
Provision for employees' end of service benefits	137,967	138,247
Operating profit/(loss) before changes in operating assets and liability	32,985,361	(7,474,100)
<i>(Increase)/decrease in current assets</i>		
Inventories	115,060,521	732,675
Trade receivables	210,556	3,398,965
Advances, deposits and other receivables	(19,560,646)	(1,266,134)
<i>Increase/(decrease) in current liability</i>		
Trade and other payables	(113,111,630)	1,422,456
Cash generated from/(used in) operations	15,584,162	(3,186,138)
Employees' end of services benefits paid	-	(123,007)
Net cash from/(used in) operating activities	15,584,162	(3,309,145)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment from discontinued operations	-	2,026,000
Transfer from discontinued operation	(257,124)	(350,000)
Purchase of property, plant and equipment	(69,744)	-
Net cash (used in)/from investing activities	(326,868)	1,676,000
Cash flows from financing activities		
Finance cost paid to the bank borrowings	(7,882,718)	(122,598)
Proceeds of bank borrowings	1,552,118	-
(Repayment) of bank borrowings	(8,049,268)	-
Net cash (used in) financing activities	(14,379,868)	(122,598)
Net increase/(decrease) in cash and cash equivalents	877,426	(1,755,743)
Cash and cash equivalents at the beginning of the period	(24,588,068)	(33,131,254)
Cash and cash equivalents at the beginning of the period from discontinued operations	-	4,184,848
Cash and cash equivalents at the end of the period		(30,702,149)
Cash and cash equivalents included in discontinued operations	-	(11,794)
Cash and cash equivalents for continuing operations	(23,710,642)	(30,713,943)
Cash and cash equivalents		
Cash on hand (note 13)	2,266,314	151,917
Cash at banks (note 13)	8,989,614	3,125,085
Overdraft (note 20)	(34,966,569)	(33,990,945)
	(23,710,641)	(30,713,943)

The accompanying notes on pages 10 to 20 form an integral part of these interim condensed consolidated 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 Interim Condensed Consolidated Financial Statements for the three months period ended March 31, 2026
(Unaudited)

1 Legal status and business activities

- 1.1 M/s. Fujairah Cement Industries P.J.S.C. Fujairah - United Arab Emirates (the "Parent Entity") was registered on February 13, 1980 as a Public Joint Stock Company and operates in the United Arab Emirates under Industrial license no: 80001 issued by Fujairah Municipality, Government of Fujairah, Fujairah - United Arab Emirates. The Parent Entity's ordinary shares are listed in the Abu Dhabi Securities Exchange.
- 1.2 The Parent Entity is licensed to engage in manufacturing of clinkers & hydraulic cements, sand or pebbles mines operation (crushers) and exporting.
- 1.3 The address of the registered office of the Parent Entity is P.O. Box: 11477, Dibba, Fujairah - United Arab Emirates.
- 1.4 The management is vested with the Manager, Mr. Saeed Ahmed Ghareib Howaishil Alseriedi (U.A.E national) and the control are vested with the Board of Directors.
- 1.5 These interim condensed consolidated financial statements of the Parent Entity at the period ended March 31, 2026 comprise the Parent Entity and its Subsidiary. The details of the subsidiary is as follows.

Name of the subsidiary and domicile	License No.	Legal and effective interests	Principal activities
M/s. Fujairah Cement Industries P.J.S.C FZE, Fujairah- U.A.E.	4203	100%	The Subsidiary is licensed to engage in manufacturing of ready - mixed concrete.

- 1.6 During the reporting date, the geopolitical tensions in some parts of the Middle East has emerged which may have potential future impact on business operations and financial stability. Given the evolving nature of these events, it is not possible for the management to assess the potential financial impact, if any, on its business operations. The management will continue to monitor these events and assess their potential impact on the business.

2 Material uncertainty relating to going concern

These interim condensed consolidated financial statements have been prepared under the going concern basis for the three months period ended March 31, 2026. The Group has accumulated loss of AED 242,898,267 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 733,718,222 (December 31, 2025 (Audited): AED 682,460,600) as at the reporting period. Further, as at the year end, the Group failed to meet the financial covenants as per bank facility letters. The management is under discussion with the banks for restructuring the bank facilities. 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 actively undertaking measures to improve the Group's financial position and liquidity, including ongoing discussions with banks for restructuring of borrowings, exploring new markets and business opportunities for the Group's products, improving operational efficiencies, and implementing various cash flow and working capital management initiatives. In addition, the Board of Directors has confirmed their intention to continue providing the necessary support to enable the Group to continue its operations and meet its obligations as they fall due. Accordingly, the accompanying interim condensed consolidated financial statements have been prepared on a going concern basis.

Further, 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.



Fujairah Cement Industries P.J.S.C and its Subsidiary

Fujairah - United Arab Emirates

Notes to the Interim Condensed Consolidated Financial Statements for the three months period ended March 31, 2026
(Unaudited)

3 Prior period adjustments

The financial statements for the year ended December 31, 2025 of the Group have been restated in accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors for the following adjustments:

During the period, management decided to restate the financial statements as the closing inventory balance reported in the previous period included allocations of depreciation and other overhead costs, such as workshop service expenses, wages, and stores expenses, which were capitalized as part of the cost of closing stock. These costs related to a division that was not operational during the previous year and, accordingly, should not have been included in the valuation of inventories.

Accordingly, the error has been rectified through the restatement of the comparative financial information in order to correct the overstatement of closing stock and accumulated losses and to ensure compliance with the applicable financial reporting requirements.

The impact of the restatements as stated above on the interim condensed consolidated statement of financial position is summarised as follows:

Impact on the statement of financial position	As at December 31, 2025 (as previously stated)	Net effects of prior period adjustments	As at December 31, 2025 (Restated)
	AED	AED	AED
Equity			
Accumulated losses (note 17)	243,246,568	5,329,604	248,576,172
Assets			
Current assets			
Inventories (note 10)	239,464,093	(5,329,604)	234,134,489

4 Basis of preparation

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

These interim condensed consolidated financial statement does not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Group's annual consolidated audited financial statements for the year ended December 31, 2025.

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the annual consolidated audited financial statements for the year ended December 31, 2025.

The interim condensed consolidated result for the three months period ended March 31, 2026 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2026.

The accounting policies, presentation and methods of computation, adopted in preparation of these interim condensed consolidated financial statement are consistent with those used in the annual consolidated audited financial statements for the year ended December 31, 2025.

These interim condensed consolidated financial statement has been prepared on the historical cost basis.

The preparation of these interim condensed consolidated financial statement requires 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 these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Group's annual consolidated audited financial statements for the year ended December 31, 2025.



Fujairah Cement Industries P.J.S.C and its Subsidiary

Fujairah - United Arab Emirates

Notes to the Interim Condensed Consolidated Financial Statements for the three months period ended March 31, 2026
(Unaudited)

5 Basis of consolidation

The interim condensed consolidated financial statements consolidate the unaudited interim condensed consolidated financial statements of the subsidiary referred to in note 1.5, on line by line basis, with the unaudited interim condensed consolidated financial statements of the Parent Entity for the period. All significant inter group investments, receivables, payables and other such transactions are eliminated on consolidation.



Notes to the Interim Condensed Consolidated Financial Statements for the three months period ended March 31, 2026 (Unaudited)
(In Arab Emirates Dirham)

6 Property, plant and equipment

Cost	Land	Factory buildings and leasehold improvements	Factory civil structures	Plant and machinery	Furniture and fixtures	Vehicles and mobile plant	Tools and equipments	Quarry development	Capital work-in-progress	Total
As at January 01, 2025 (Audited)	34,997,500	30,712,750	129,286,686	2,020,363,173	4,423,432	24,314,268	13,515,914	31,949,125	1,096,899	2,290,659,747
Additions during the year	-	-	-	250,000	5,700	-	14,670	-	34,365	304,735
Disposals during the year	-	-	-	-	-	(994,373)	-	-	-	(994,373)
As at December 31, 2025 (Audited)	34,997,500	30,712,750	129,286,686	2,020,613,173	4,429,132	23,319,895	13,530,584	31,949,125	1,131,264	2,289,970,109
Additions during the period	-	-	-	62,500	1,150	-	6,094	-	-	69,744
As at March 31, 2026 (Unaudited)	34,997,500	30,712,750	129,286,686	2,020,675,673	4,430,282	23,319,895	13,536,678	31,949,125	1,131,264	2,290,039,853
Accumulated depreciation										
As at January 01, 2025 (Audited)	-	16,458,156	51,918,938	1,166,688,181	4,349,371	24,118,936	13,364,531	28,603,445	-	1,305,501,558
Charge for the year	-	746,323	4,110,827	46,306,570	57,221	9,037	68,762	926,081	-	52,224,821
Eliminated on disposal during the year	-	-	-	-	-	(811,903)	-	-	-	(811,903)
As at December 31, 2025 (Audited)	-	17,204,479	56,029,765	1,212,994,751	4,406,592	23,316,070	13,433,293	29,529,526	-	1,356,914,476
Charge for the period	-	186,581	1,027,703	11,579,792	2,539	875	15,553	231,520	-	13,044,563
As at March 31, 2026 (Unaudited)	-	17,391,060	57,057,468	1,224,574,543	4,409,131	23,316,945	13,448,846	29,761,046	-	1,369,959,039
Carrying value as at March 31, 2026 (Unaudited)	34,997,500	13,321,690	72,229,218	796,101,130	21,151	2,950	87,832	2,188,079	1,131,264	920,080,814
Carrying value as at December 31, 2025 (Audited)	34,997,500	13,508,271	73,256,921	807,618,422	22,540	3,825	97,291	2,419,599	1,131,264	933,055,633

Notes:

- Land with an original cost of AED 250,000 has been stated at its fair value of AED 34,997,500 based on a valuation performed by the Land and Property Management, Dibba Municipality, Government of Fujairah. The resulting revaluation surplus of AED 34,747,500 has been recognised in the revaluation reserve (note 15).
- 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.
- 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 20).
- Insurance policy covering movable assets is assigned in favor of a bank against bank borrowings (note 20).
- 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 20).
- There is a registered mortgage and assignment of insurance policy over specific machinery upgraded (note 20) included in plant and machinery mentioned above.
- Depreciation is charged to cost of sales and production idle cost.
- Cost of fully depreciated property, plant and equipment that was still in use, at the end of the reporting period amounted to AED 375,740,558 (December 31, 2025 (Audited) : AED 356,509,950).
- Leasehold rights (between the Group and Dibba Municipality) over the land on which thermal power plant is located are assigned against bank borrowings (note 20).



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7	Right-of-use assets	Property
	Cost	
	As at January 01, 2025 (Audited)	132,403,223
	As at December 31, 2025 (Audited)	132,403,223
	As at March 31, 2026 (Unaudited)	132,403,223
	Accumulated depreciation	
	As at January 01, 2025 (Audited)	56,934,206
	Charge for the year	9,489,034
	As at December 31, 2025 (Audited)	66,423,240
	Charge for the period	2,372,259
	As at March 31, 2026 (Unaudited)	68,795,499
	Carrying value as at March 31, 2026 (Unaudited)	63,607,724
	Carrying value as at December 31, 2025 (Audited)	65,979,983
		Software
	Cost	
	As at December 31, 2025 (Audited)	249,517
	As at March 31, 2026 (Unaudited)	249,517
	Accumulated depreciation	
	As at December 31, 2025 (Audited)	249,517
	As at March 31, 2026 (Unaudited)	249,517
	Carrying value as at March 31, 2026 (Unaudited)	-
	Carrying value as at December 31, 2025 (Audited)	-

9 Related party balances and 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.

a) Balances with related parties	March 31, 2026	December 31, 2025
- Due from related parties	(Unaudited)	(Audited)
(Included in trade receivables) (note 11)	8,203	8,203
- Due to related parties		
(Included in trade and other payables) (note 21)	14,568	264,568
	For the three months period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
b) Transactions with related parties		
The nature of significant related party transactions and the amounts involved were as follows:		
Sales	73,500	-



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	For the three months period ended	
	March 31, 2026	March 31, 2025
9 Related party balances and transactions (continued)		
c) Key management personnel compensations	(Unaudited)	(Unaudited)
<i>The compensation of key management personnel is as follows:</i>		
Salaries and other benefits of key management staff	792,763	522,456
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
10 Inventories	(Unaudited)	(Audited)
		(Restated)
Spare parts	126,619,753	125,319,802
Semi-finished products	29,297,301	66,679,598
Burning media	52,622,690	59,131,531
Raw materials	12,358,563	8,895,641
Finished goods	2,542,658	4,777,695
Bags and packing materials	1,283,685	1,580,173
Less: Allowance for slow moving inventories	(110,736,215)	(110,736,215)
	113,988,435	155,648,225
Inventories in transit	5,085,533	78,486,264
	<u>119,073,968</u>	<u>234,134,489</u>
	<i>Movement in allowance for slow moving inventories as at reporting date is as follows:</i>	
Balance at the beginning of the period/ year	110,736,215	140,581,233
Written off during the year	-	(29,845,018)
Balance at the end of the period/ year	<u>110,736,215</u>	<u>110,736,215</u>
	Insurance policy against the inventories are assigned to financial institutions (note 20).	
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
11 Trade receivables	(Unaudited)	(Audited)
Trade receivables	56,425,827	56,636,383
Less: Allowance for expected credit loss	(56,211,524)	(56,211,524)
	<u>214,303</u>	<u>424,859</u>
	After business operations resumed during the previous year, the Parent Entity implemented revised credit terms, resulting in all sales for the year being made on an advance-payment basis.	
	Trade receivables are assigned against bank borrowings (note 20).	
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
12 Advances, deposits and other receivables	(Unaudited)	(Audited)
<i>Financial assets</i>		
Deposits	333,615	333,614
Other receivables	2,019,710	1,848,420
	2,353,325	2,182,034
<i>Non financial assets</i>		
Prepayments	2,620,329	295,585
Advances to suppliers	18,886,625	1,214,512
Staff loan and advances	133,137	168,756
VAT receivables-net	-	571,882
	<u>21,640,091</u>	<u>2,250,735</u>
Total advances, deposits and other receivables	<u>23,993,416</u>	<u>4,432,769</u>



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	<u>March 31, 2026</u>	<u>December 31, 2025</u>
13 Cash and bank balances	(Unaudited)	(Audited)
Cash on hand	2,266,314	1,562,111
Cash at banks	8,989,614	8,593,218
	<u>11,255,928</u>	<u>10,155,329</u>

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

14 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.

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
15 Revaluation reserve	(Unaudited)	(Audited)
Balance at the beginning of the period/year	34,747,500	34,747,500
Balance at the end of the period/year	<u>34,747,500</u>	<u>34,747,500</u>

The Land mentioned in Note 6 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.

16 Statutory reserve

According to the Articles of Association of the Parent Entity, 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.

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
17 Accumulated (losses)	(Unaudited)	(Audited)
		(Restated)
Balance at the beginning of the period/year	(187,853,579)	(152,022,021)
Profit/(loss) for the period/year	5,677,905	(35,831,558)
Balance at the end of the period/year	<u>(182,175,674)</u>	<u>(187,853,579)</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
18 Employees' end of service benefits	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	389,316	129,830
Add: Charge for the period/year	137,967	382,493
Less: Paid during the year	-	(123,007)
Balance at the end of the period/year	<u>527,283</u>	<u>389,316</u>

Amounts required to cover end of service indemnity at the interim condensed consolidated 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 the reporting period.



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	March 31, 2026	December 31, 2025
19 Lease liabilities	(Unaudited)	(Audited)
Balance at the beginning of the period/year	139,920,045	136,817,327
Add: interest charged during the period/year	750,870	3,102,718
Balance at the end of the period/year	<u>140,670,915</u>	<u>139,920,045</u>
Comprising:		
Current portion	55,412,257	76,060,908
Non-current portion	<u>85,258,658</u>	<u>63,859,137</u>
	<u>140,670,915</u>	<u>139,920,045</u>
20 Bank borrowings	March 31, 2026	December 31, 2025
a) Due to banks	(Unaudited)	(Audited)
Trust receipts	82,357,603	82,357,603
Short term loans	40,000,000	40,000,000
Overdraft	34,966,569	34,743,397
	<u>157,324,172</u>	<u>157,101,000</u>
b) Term loan		
Balance at the beginning of the period/year	376,803,260	376,803,260
Received during the period	1,552,118	-
Repaid during the period	<u>(8,049,268)</u>	<u>-</u>
Balance at the end of the period/year	<u>370,306,110</u>	<u>376,803,260</u>
Comprising:		
Current portion	511,160,459	424,512,596
Non-current portion	<u>16,469,823</u>	<u>109,391,664</u>
	<u>527,630,282</u>	<u>533,904,260</u>

The above loans are secured by:

- a) Registered charge over Thermal Power Plant (including machinery).
- b) Registered chattel mortgage (to be executed) over the Waste Heat Recovery based captive power plant expansion project.
- c) Assignment of insurance policy for AED 437.4 million covering factory on a pari passu basis.
- d) Assignment of insurance policy for AED 236.9 million covering the Thermal Power Plant on a pari passu basis.
- e) Assignment of insurance policy for AED 124.4 million covering the Waste Heat Recovery based captive power plant expansion project.
- f) Assignment of insurance policies covering moveable assets on pari passu basis.
- g) Assignment of leasehold rights (between the Group & Dibba Municipality) over the land on which the Thermal Power Plant is located.
- h) Assignment of insurance policy over inventories on pari passu basis.
- i) General assignments of trade receivables in favor of the bank.
- j) Registered mortgage and assignment of insurance policy over specific machinery upgraded.
- k) Promissory note.
- l) As at March 31, 2026, the Group failed to meet the below financial covenants as per bank facility letters. The management is under discussion with the banks for restructuring the bank facilities.



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20 Bank borrowings (continued)

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.

Abu Dhabi 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.

National Bank of Fujairah

- a) Tangible Net worth not to drop below AED 150 Million.

Finance House

- a) Leverage Ratio of the Customer to be maintained at 1.5:1 or below.

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	(Unaudited)	(Audited)
21 Trade and other payables		
<i>Financial liabilities</i>		
Trade payables	183,521,583	207,404,261
Accruals for expenses	15,245,730	109,762,320
Interest payable	82,407,564	79,288,484
Dividends payable	3,158,634	3,158,634
Other payables	72,732	62,662
	<u>284,406,243</u>	<u>399,676,361</u>
<i>Non financial liabilities</i>		
Advances from customers	32,687,943	28,900,098
VAT payable-net	1,489,723	-
	<u>34,177,666</u>	<u>28,900,098</u>
Total trade and other payables	<u>318,583,909</u>	<u>428,576,459</u>
Comprising:		
Current portion	318,583,909	427,678,208
Non-current portion	-	898,251
	<u>318,583,909</u>	<u>428,576,459</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
22 Liabilities relating to discontinued operations	(Unaudited)	(Audited)
	<u>3,099,211</u>	<u>3,356,335</u>

The Board of Directors, at its meeting held on January 09, 2024, resolved to discontinue the operations of its wholly owned subsidiary, Fujairah Cement Industries PJSC FZE, which was engaged in ready-mix concrete manufacturing services, with effect from February 01, 2024. The subsidiary's registered office is located at Umm Al Quwain Bank Building, Mezzanine Floor-2 (M2), Office No. 203, Hamad Bin Abdulla Road, Fujairah, United Arab Emirates. Liabilities relating to the discontinued operation have been presented separately as a line item in the interim condensed consolidated statement of financial position.



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	For the three months period ended	
	March 31, 2026 (Unaudited)	March 31, 2025 (Audited)
22 Liabilities relating to discontinued operations (continued)		
Other income		73,260
General and administrative expenses	-	(835,889)
Trade receivables written off	-	139,386
Provision for impairment of fixed assets	-	(510,917)
	-	(1,134,160)
Cash flows from discontinued operations		
Net cash (outflows)/inflows from operating activities	(257,124)	105,290
Net cash inflows from investing activities	-	2,026,000
Net cash (outflows) from financing activities	-	(6,304,343)
Net cash (outflows)	(257,124)	(4,173,053)
Assets	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Right-of-use assets	4,406,064	4,406,064
Trade and other receivables	290,197	290,197
Cash and bank balances	-	1,587
Liabilities		
Lease liabilities	(4,652,893)	(4,652,893)
Trade and other payables	(3,142,579)	(3,401,290)
	(3,099,211)	(3,356,335)
23 Revenue	For the three months period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
<i>Revenue recognized at a point in time</i>		
Sale of goods		
Within U.A.E.	113,172,091	611,224
Outside U.A.E.	45,569,793	-
	158,741,884	611,224
24 Direct cost	For the three months period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Cost of goods manufactured		
Cost of goods manufactured - Cement	81,968,391	599,312
Cost of goods manufactured - Clinker	46,784,310	-
	128,752,701	599,312
25 Production idle cost	For the three months period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
	2,536,838	21,511,068



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26 Taxation	For the three months period ended	
	March 31, 2026	March 31, 2025
a) Tax on ordinary activities		
Particulars		
Profit before tax	5,677,905	-
Proportionate threshold exemption	(375,000)	-
Taxable profit	5,302,905	-
Current Tax (9%)	477,261	-

As the entity is fully operational during the three months period ended March 31, 2026, and considering the taxable profit of AED 5,302,905, the current tax obligation amounts to AED 477,261.

Due to the history of losses and the absence of convincing evidence of sufficient future taxable profits, the deferred tax asset is not recognized in full. However, a deferred tax asset of AED 477,261 has been recognized to the extent of current taxable profits available against which prior period tax losses can be utilized, in accordance with IAS 12.

27 Basic and diluted loss per share	For the three months period ended	
	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
<i>Continuing operations</i>		
Profit/(loss) for the period	5,677,905	(34,697,398)
Weighted average number of shares	355,865,320	355,865,320
Basic and diluted profit/(loss) per share	0.016	(0.098)
<i>Discontinued operations</i>		
(Loss) for the period	-	(1,134,160)
Weighted average number of shares	-	355,865,320
Basic and diluted (loss) per share	-	(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.

28 Contingent liabilities

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

29 Commitments

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

