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

Independent auditor's review report and
Interim Condensed Consolidated Financial Statements
For the six months period ended June 30, 2026 (Unaudited)

For identification purpose only
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James

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	
	Name	Nationality
The Manager:	Saeed Ahmed Ghareib Howaishil Alsereidi	U.A.E.
	Name of Directors	Nationality
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. Abdul Latif Saad Abdul Latif Al Dosary (till June 30, 2026)	Kuwaiti
	Mr. Yagoub Musaad Yagoub Albuaijan (with effect from July 02, 2026)	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	

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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 June 30, 2026.

Principal activities of the Group:

The Parent Entity is licensed to engage in manufacturing of clinkers and 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 the Arab Emirates Dirham (AED).

	For the six months period ended		For the three months period ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing Operations				
Revenue	**275,195,672**	1,436,933	**116,453,788**	825,709
Cost of Sales	**(231,542,353)**	(1,433,330)	**(102,789,652)**	(834,018)
Gross profit / (loss)	**43,653,319**	3,603	**13,664,136**	(8,309)
Gross profit margin	**16%**	0%	**12%**	-1%
Net (loss)	**(2,272,441)**	(68,316,896)	**(7,950,346)**	(33,619,498)
Net profit /(loss) %	**-0.83%**	-4754.36%	**-6.83%**	-4071.59%
Discontinued Operations				
(Loss) for the period	-	(1,063,042)	-	71,118
Net (loss) %	-	-	-	-
Basic and diluted profit/(loss) per share from continuing operations	**(0.006)**	**(0.192)**	**(0.022)**	(0.094)
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.

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Going concern challenges:

These interim condensed consolidated financial statements have been prepared under the going concern basis for the six months period then ended. The Group has accumulated losses of AED 250,848,613 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 654,829,876 ((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
July 30, 2026

Board Member

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Ref: JM/AR/2026/26815

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 June 30, 2026, and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity, cash flows for the six 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 250,848,613 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 654,829,876 (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.

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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 June 30, 2026, nor its interim condensed consolidated financial performance and interim condensed consolidated cash flows for the six 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
July 30, 2026
Dubai - United Arab Emirates

P.O. Box: 118863
DUBAI - U.A.E.
UHY JAMES CHARTERED ACCOUNTANTS L.L.C

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

Interim Condensed Consolidated Statement of Financial Position as at June 30, 2026 (Unaudited)
(In Arab Emirates Dirham)

	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited) (Restated)
Assets			
Non-current assets			
Property, plant and equipment	6	**908,697,220**	933,055,633
Right-of-use assets	7	**61,235,465**	65,979,983
Total non-current assets		**969,932,685**	999,035,616
Current assets			
Inventories	10	**149,536,202**	234,134,489
Trade receivables	11	**5,712**	424,859
Advances, deposits and other receivables	12	**22,553,843**	4,432,769
Cash and bank balances	13	**12,344,382**	10,155,329
Total current assets		**184,440,139**	249,147,447
Total assets		**1,154,372,824**	1,248,183,063
Equity and liabilities			
Equity			
Share capital	14	**355,865,320**	355,865,320
Revaluation reserve	15	**34,747,500**	34,747,500
Accumulated (losses)	17	**(250,848,613)**	(248,576,172)
Total equity		**139,764,207**	142,036,648
Liabilities			
Non-current liabilities			
Employees' end of service indemnity benefits	18	**632,739**	389,316
Lease liabilities	19	**85,195,479**	63,859,137
Bank borrowings	20	**89,510,384**	109,391,664
Trade and other payables	21	**-**	898,251
Total non-current liabilities		**175,338,602**	174,538,368
Current liabilities			
Lease liabilities	19	**56,163,126**	76,060,908
Bank borrowings	20	**437,711,286**	424,512,596
Trade and other payables	21	**342,395,563**	427,678,208
Liabilities relating to discontinued operations	22	**3,000,040**	3,356,335
Total current liabilities		**839,270,015**	931,608,047
Total liabilities		**1,014,608,617**	1,106,146,415
Total equity and liabilities		**1,154,372,824**	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 July 30, 2026 and signed on behalf of the Group, by:

H.E. Moahmed Bin Hamad Saif Ali Sharqi
Chairman

Board Member

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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 six months period ended June 30, 2026 (Unaudited)
(In Arab Emirates Dirham)

	Notes	For the six months period ended		For the three months period ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations:					
Revenue	23	**275,195,672**	1,436,933	**116,453,788**	825,709
Direct costs	24	**(231,542,353)**	(1,433,330)	**(102,789,652)**	(834,018)
Gross profit/(loss)		**43,653,319**	3,603	**13,664,136**	(8,309)
Other income		**1,549,243**	513,299	**1,156,124**	236,842
Selling and distribution expenses		**(10,762,732)**	(312,173)	**(4,198,361)**	(161,500)
General and administrative expenses		**(8,009,127)**	(3,512,930)	**(4,158,606)**	(1,543,361)
Production idle costs	25	**(5,179,715)**	(42,020,192)	**(2,642,877)**	(20,509,124)
Finance costs		**(23,523,429)**	(22,988,503)	**(11,770,762)**	(11,634,046)
Net (loss) for the period before tax		**(2,272,441)**	(68,316,896)	**(7,950,346)**	(33,619,498)
Discontinued operations					
(Loss)/profit for the period from discontinued operati	22	**-**	(1,063,042)	**-**	71,118
Tax expense	26	**-**	-	**-**	-
Net (loss) for the period after tax		**(2,272,441)**	(69,379,938)	**(7,950,346)**	(33,548,380)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive (loss) for the period		**(2,272,441)**	(69,379,938)	**(7,950,346)**	(33,548,380)
Basic and diluted (loss) per share from continuing operations		**(0.006)**	(0.192)	**(0.022)**	(0.094)
Basic and diluted (loss) per share from discontinued operations		**-**	(0.003)	**-**	0.000

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.

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

Interim Condensed Consolidated Statement of Changes in Equity for the six months period ended June 30, 2026 (Unaudited)
(In Arab Emirates Dirham)

	Share capital	Revaluation reserve	Accumulated (losses)	Total equity
Balance as at January 01, 2025 (Audited)	355,865,320	34,747,500	(152,022,021)	238,590,799
Net (Loss) for the period from continuing operations	-	-	(68,316,896)	(68,316,896)
Net (Loss) for the period from discontinued operations	-	-	(1,063,042)	(1,063,042)
Balance as at June 30, 2025	355,865,320	34,747,500	(221,401,959)	169,210,861
Net (Loss) for the period from continuing operations - (Restated)	-	-	(27,293,333)	(27,293,333)
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
Net (loss) for the period from continuing operations	-	-	**(2,272,441)**	**(2,272,441)**
Balance as at June 30, 2026 (Unaudited)	**355,865,320**	**34,747,500**	**(250,848,613)**	**139,764,207**

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.

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

Interim Condensed Consolidated Statement of Cash Flows for the six months period ended June 30, 2026 (Unaudited)
(In Arab Emirates Dirham)

	For the six months period ended	
	June 30, 2026	June 30, 2025
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net (loss) for the period before tax from continued operations	**(2,272,441)**	(68,316,896)
(Loss) for the period from discontinued operations	**-**	(1,063,042)
Adjustments for:		
Loss on sale of property, plant and equipment from discontinued operations	**-**	617,641
Impairment on sale of property, plant and equipment from discontinued operations	**-**	510,917
Depreciation on property, plant and equipment	**26,109,070**	26,133,319
Depreciation on right-of-use assets	**4,744,518**	4,744,518
Allowance for expected credit losses	**-**	211,055
Finance costs	**23,523,429**	22,988,503
Provision for employees' end of service benefits	**247,845**	196,753
Operating profit/(loss) before changes in operating assets and liability	**52,352,421**	(13,977,232)
(Increase)/decrease in current assets		
Inventories	**84,598,287**	(15,078,003)
Trade receivables	**419,147**	3,316,175
Advances, deposits and other receivables	**(18,121,074)**	(1,418,235)
Increase/(decrease) in current liability		
Trade and other payables	**(86,180,896)**	21,975,592
Cash generated from/(used in) operations	**33,067,885**	(5,181,703)
Employees' end of services benefits paid	**(4,422)**	(123,007)
Net cash from/(used in) operating activities	**33,063,463**	(5,304,710)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment from discontinued operations	**-**	2,126,000
Proceeds from disposal of property, plant and equipment from continued operations	**-**	182,479
Transfer from discontinued operation	**(356,295)**	-
Purchase of property, plant and equipment	**(1,750,657)**	(350,000)
Net cash (used in)/from investing activities	**(2,106,952)**	1,958,479
Cash flows from financing activities		
Finance costs paid on bank borrowings	**(20,532,751)**	(482,417)
(Repayment) of bank borrowings	**(8,824,995)**	-
Net cash (used in) financing activities	**(29,357,746)**	(482,417)
Net increase/(decrease) in cash and cash equivalents	**1,598,765**	(3,828,648)
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	**(22,989,303)**	(32,775,054)
Cash and cash equivalents included in discontinued operations	**-**	(1,587)
Cash and cash equivalents for continuing operations	**(22,989,303)**	(32,776,641)
Cash and cash equivalents		
Cash on hand (note 13)	**2,338,176**	235,969
Cash at banks (note 13)	**10,006,206**	1,204,738
Overdraft (note 20)	**(35,333,684)**	(34,217,348)
	(22,989,303)	(32,776,641)

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.

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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 and 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 Alsereidi (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 June 30, 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 six months period ended June 30, 2026. The Group has accumulated loss of AED 250,848,613 (December 31, 2025 (Audited): AED 248,576,172) and total current liabilities exceeded total current assets by AED 654,829,876 ((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.

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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 six months period ended June 30, 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.

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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.

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6 Property, plant and equipment

	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
Cost										
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	-	-	-	68,248	7,150	385,000	40,264	-	1,249,995	1,750,657
As at June 30, 2026 (Unaudited)	**34,997,500**	**30,712,750**	**129,286,686**	**2,020,681,421**	**4,436,282**	**23,704,895**	**13,570,848**	**31,949,125**	**2,381,259**	**2,291,720,766**
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	-	373,162	2,055,406	23,161,632	5,478	17,791	32,560	463,041	-	26,109,070
As at June 30, 2026 (Unaudited)	**-**	**17,577,641**	**58,085,171**	**1,236,156,383**	**4,412,070**	**23,333,861**	**13,465,853**	**29,992,567**	**-**	**1,383,023,546**
Carrying value as at June 30, 2026 (Unaudited)	**34,997,500**	**13,135,109**	**71,201,515**	**784,525,038**	**24,212**	**371,034**	**104,995**	**1,956,558**	**2,381,259**	**908,697,220**
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 (to be 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 357,573,395 (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 June 30, 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	**4,744,518**
	As at June 30, 2026 (Unaudited)	**71,167,758**
	Carrying value as at June 30, 2026 (Unaudited)	**61,235,465**
	Carrying value as at December 31, 2025 (Audited)	65,979,983

8	**Intangible assets**	**Software**
	Cost	
	As at December 31, 2025 (Audited)	249,517
	As at June 30, 2026 (Unaudited)	**249,517**
	Accumulated depreciation	
	As at December 31, 2025 (Audited)	249,517
	As at June 30, 2026 (Unaudited)	**249,517**
	Carrying value as at June 30, 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	**June 30, 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)	**264,568**	264,568

	For the six months period ended		**For the three months period ended**	
b) Transactions with related parties	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
The nature of significant related party transactions and the amounts involved were as follows:				
Sales	**164,850**	160,827	**91,350**	73,500

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9 Related party balances and transactions (continued)

c) Key management personnel compensations	**For the six months period ended**		**For the three months period ended**	
The compensation of key management personnel is as follows:	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Salaries and other benefits of key management staff	**1,592,165**	1,117,090	**799,402**	594,634

10 Inventories	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited) (Restated)
Spare parts	**129,701,183**	125,319,802
Semi-finished products	**31,384,333**	66,679,598
Burning media	**55,046,145**	59,131,531
Raw materials	**25,135,569**	8,895,641
Finished goods	**4,474,894**	4,777,695
Bags and packing materials	**1,063,873**	1,580,173
Less: Allowance for slow moving inventories	**(110,736,215)**	(110,736,215)
	136,069,782	155,648,225
Inventories in transit	**13,466,420**	78,486,264
	149,536,202	234,134,489

Movement in allowance for slow moving inventories as at reporting date is as follows:	**June 30, 2026**	December 31, 2025
Balance at the beginning of the period/year	**110,736,215**	140,581,233
Written off during the period/year	**-**	(29,845,018)
Balance at the end of the period/ year	**110,736,215**	110,736,215

Insurance policy against the inventories are assigned to financial institutions (note 20).

11 Trade receivables	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade receivables	**56,217,236**	56,636,383
Less: Allowance for expected credit loss	**(56,211,524)**	(56,211,524)
	5,712	424,859

After business operations resumed during the previous year, the Parent Entity implemented revised credit terms, resulting in all sales for the period being made on an advance-payment basis.

Trade receivables are assigned against bank borrowings (note 20).

12 Advances, deposits and other receivables	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Financial assets		
Deposits	**393,615**	333,614
Other receivables	**2,190,454**	1,848,420
	2,584,069	2,182,034
Non financial assets		
Prepayments	**1,990,466**	295,585
Advances to suppliers	**17,841,591**	1,214,512
Staff loan and advances	**137,717**	168,756
VAT receivables-net	**-**	571,882
	19,969,774	2,250,735
Total advances, deposits and other receivables	**22,553,843**	4,432,769

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13 Cash and bank balances	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**2,338,176**	1,562,111
Cash at banks	**10,006,206**	8,593,218
	12,344,382	10,155,329

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 each fully paid.

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Share capital	**355,865,320**	355,865,320

15 Revaluation reserve	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
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

The Land mentioned in note 6 of AED 34,997,500 (December 2025: 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, 5% 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.

17 Accumulated (losses)	June 30, 2026 (Unaudited)	December 31, 2025 (Audited) (Restated)
Balance at the beginning of the period/year	**(248,576,172)**	(152,022,021)
(loss) for the period/year	**(2,272,441)**	(96,554,151)
Balance at the end of the period/year	**(250,848,613)**	(248,576,172)

18 Employees' end of service indemnity benefits	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period/ year	**389,316**	129,830
Add: Charge for the period/year	**247,845**	382,493
Less: Paid during the period/ year	**(4,422)**	(123,007)
Balance at the end of the period/year	**632,739**	389,316

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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19 Lease liabilities	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period/year	**139,920,045**	136,817,327
Add: interest charged during the period/year	**1,438,560**	3,102,718
Balance at the end of the period/year	**141,358,605**	139,920,045

Comprising:	June 30, 2026	December 31, 2025
Current portion	**56,163,126**	76,060,908
Non-current portion	**85,195,479**	63,859,137
	141,358,605	139,920,045

20 Bank borrowings		
a) Due to banks	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trust receipts	**82,357,603**	82,357,603
Short term loans	**40,000,000**	40,000,000
Overdraft	**35,333,684**	34,743,397
	157,691,287	157,101,000

b) Term loan	June 30, 2026	December 31, 2025
Balance at the beginning of the period/year	**376,803,260**	376,803,260
Received during the period/year	**1,552,118**	-
Repaid during the period/year	**(8,824,995)**	-
Balance at the end of the period/year	**369,530,383**	376,803,260

Comprising:	June 30, 2026	December 31, 2025
Current portion	**437,711,286**	424,512,596
Non-current portion	**89,510,384**	109,391,664
	527,221,670	533,904,260

The above loans are secured by:

a) Registered charge over Thermal Power Plant (including machinery) (note 6).

b) Registered chattel mortgage (to be executed) over the Waste Heat Recovery based captive power plant expansion project (note 6).

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 (note 6).

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(note 6).

g) Assignment of leasehold rights (between the Group & Dibba Municipality) over the land on which the Thermal Power Plant is located (note 6).

h) Assignment of insurance policy over inventories on pari passu basis.

i) General assignments of trade receivables in favor of the bank (note 11).

j) Registered mortgage and assignment of insurance policy over specific machinery upgraded (note 6).

k) Promissory note.

l) As at June 30, 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.

21 Trade and other payables	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Financial liabilities		
Trade payables	**176,979,203**	207,404,261
Accruals for expenses	**48,475,786**	109,762,320
Interest payable	**92,968,523**	79,288,484
Dividends payable	**3,158,634**	3,158,634
Other payables	**57,038**	62,662
	321,639,184	399,676,361
Non financial liabilities		
Advances from customers	**19,487,272**	28,900,098
VAT payable-net	**1,269,107**	-
	20,756,379	28,900,098
Total trade and other payables	**342,395,563**	428,576,459

Comprising:	**June 30, 2026**	December 31, 2025
Current portion	**342,395,563**	427,678,208
Non-current portion	**-**	898,251
	342,395,563	428,576,459

22 Liabilities relating to discontinued operations	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
	(3,000,040)	(3,356,335)

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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22 Liabilities relating to discontinued operations (continued)

	For the six months period ended		For the three months period ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Other income	-	73,260	-	-
General and administrative expenses	-	(836,440)	-	(551)
Trade receivables written off	-	211,055	-	71,669
Provision for impairment of property, plant and equipment	-	(510,917)	-	-
	-	(1,063,042)	-	71,118
Cash flows from discontinued operations				
Net cash (outflows)/inflows from operating activities	**(356,296)**	162,784	**(99,172)**	57,494
Net cash inflows from investing activities	-	2,026,000	-	-
Net cash (outflows) from financing activities	-	(6,372,045)	-	(67,702)
Net cash (outflows)	**(356,296)**	(4,183,261)	**(99,172)**	(10,208)

Assets	**June 30, 2026**	December 31, 2025
	(Unaudited)	(Audited)
Right-of-use assets	**4,406,064**	4,406,064
Trade and other receivables	**292,697**	290,197
Cash and bank balances	**1,587**	1,587
Liabilities		
Lease liabilities	**(4,652,893)**	(4,652,893)
Trade and other payables	**(3,047,495)**	(3,401,290)
	(3,000,040)	(3,356,335)

23 Revenue

	For the six months period ended		For the three months period ended	
Revenue recognized at a point in time	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Sale of goods				
Within U.A.E.	**220,977,262**	1,368,013	**107,805,171**	756,789
Outside U.A.E.	**54,218,410**	68,920	**8,648,617**	68,920
	275,195,672	1,436,933	**116,453,788**	825,709

24 Direct costs

	For the six months period ended		For the three months period ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Cost of goods manufactured				
Cost of goods manufactured - Cement	**184,839,677**	1,433,330	**102,871,286**	834,018
Cost of goods manufactured - Clinker	**46,702,676**	-	**(81,634)**	-
	231,542,353	1,433,330	**102,789,652**	834,018

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		For the six months period ended		For the three months period ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
25	**Production idle costs**	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
		5,179,715	42,020,192	**2,642,877**	20,509,124

26 Taxation

Current Tax

On December 09, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "Law") to enact a Federal corporate tax regime in the UAE. Furthermore, on January 16, 2023, a Cabinet Decision was published specifying the threshold of AED 375,000 of taxable income above which taxable entities would be subject to a 9% corporate tax rate. The Group has incurred a net loss for the period. Accordingly, no provision for corporate tax has been recognized in these interim consolidated financial statements.

Deferred Tax

Due to Group's current financial performance and the absence of sufficiently reliable forecasts demonstrating probable future taxable profits, management has concluded that the recognition criteria under IAS 12 are not met. Accordingly, no deferred tax asset has been recorded as at the reporting date under Federal Decree-Law No. 47 of 2022.

		For the six months period ended		For the three months period ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
27	**Basic and diluted loss per share**	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	Continuing operations				
	Net (loss) for the period	**(2,272,441)**	(68,316,896)	**(7,950,346)**	(33,619,498)
	Weighted average number of shares	**355,865,320**	355,865,320	**355,865,320**	355,865,320
	Basic and diluted profit/(loss) per share	**(0.006)**	(0.192)	**(0.022)**	(0.094)
	Discontinued operations				
	Net (loss) for the period	-	(1,063,042)	-	71,118
	Weighted average number of shares	-	355,865,320	-	355,865,320
	Basic and diluted (loss) per share	-	(0.003)	-	0.000

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 at the 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 at the reporting date.

30 Comparative figures

There are no reclassification or regroupings made in the previously reported financial result or equity of the Group, except for the restated figures as mentioned in note 3.

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