



## HEAD OFFICE

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موقع على الإنترنت : www.fujairahcement.com Web Site:

## المكتب الرئيسي

ص.ب : ٦٠٠ - الفجيرة  
الإمارات العربية المتحدة  
تليفون: ٠٩-٢٢٢٣١١١  
فاكس: ٠٩-٢٢٢٧٧١٨  
البريد الإلكتروني: hofci79@fciho.ae

**Board of Directors Report to the Shareholders**  
**Concerning the Company Performance for the Year 2017**  
**Annual General Meeting on 12/04/2018**

Dear valued shareholders,

We are pleased to welcome you to the Annual General Meeting of Fujairah Cement Industries to discuss the results of the business of the company in 2017.

Dear brothers,

By grace of Allah, and then by virtue of the efforts of its staff, the company was able to achieve positive results in the previous year despite the challenges the cement industries face in the United Arab Emirates, i.e., the surplus in production and decrease in demand, and hence, a big difference between the production and demand.

This led to the decrease of cement prices compared to the GCC countries.

Dear brothers,

The good results that the company could achieve despite the aforementioned challenges prove that Fujairah Cement Industries Company has the ability to face these challenges.





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The results of the business of the company during the year 2017 are as follows:

**First: Production:**

The clinker production quantity is 3,518 million tons.  
Cement production quantity is 2,359 million tons.

**Second: Sales:**

The total sales revenues are 553 million dirhams.

**Third: Net Profits:**

The company achieved net profits of 37 million dirhams.

Dear brothers,

The company has started the operation using the Waste Heat Recovery Systems with a capacity of 12 megawatt. This led to reducing the costs of production as electricity is a major element in production.

The prices of oil and coal started to increase in the second half of 2017 as the increase reached 30% which will lead to the increase of production costs.





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## Dear brothers,

As you know very well, the board of directors always seeks the interest of the company and shareholders. Therefore, we have decided to invest in Sohar Cement Factory , Sultanate of Oman, to sell the surplus of the produced clinker. The company contributed by 20% of the paid up capital of Sohar Cement Factory. The authorized capital of this factory is Omani Riyal ten million, of which 71% (7.1 Million Omani Riyal) is paid-up. It is worth mentioning that Sohar Cement Factory has started experimental operation and will enter the commercial production within the next two months.

## Dear bothers,

We would like to say that the company is giving its utmost attention to employ the suitable local manpower, and hence, the company employed more than 05% of the UAE citizens of neighboring areas.

Moreover, the company is always keen to train the local manpower through giving training chances to the universities and institutes students in all the administrative and technical fields to enable them to gain the practical experiences.





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**Dear shareholders,**

We would like to thank you so much for your big trust which is the motive for our endeavors as expected from you to enhance and improve the performance of the company and achieve your expectations.

Finally, we would like to thank H. H. Sheikh Hamad Bin Mohamed Al-Sharqi, Member of the Supreme Council and Ruler of Fujairah.

**AND**

H. H. Sheikh Mohamed Bin Hamad Bin Mohamed Al-Sharqi, Crown Prince of Fujairah,  
for their support to the company.

We also extend our thanks to all the members of the board of directors, executive management and the staff of the company for their efforts they exerted to improve and execute the work methodology to secure the continuation of the company and improve the performance and achieve the expected revenues. We promise you again, and we will fulfill our promises that the management of the company will continue its efforts to achieve the interest of the company and its shareholders.

We ask Almighty Allah to support us to achieve the interest of the company and the shareholders.

Yours sincerely,

Chairman of Board of Directors

Mohamed Bin Hamad Bin Saif Al-Sharqi

