

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C  
FUJAIRAH  
UNITED ARAB EMIRATES**

**CONDENSED INTERIM FINANCIAL  
STATEMENTS FOR THE THREE MONTHS  
PERIOD ENDED 31 MARCH 2020**

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
Condensed Interim Financial Statements  
For the Three Months Period Ended 31 March 2020

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**Review Report on Condensed Interim Financial Statements  
to the Board of Directors of Fujairah Cement Industries P.J.S.C  
(Public J.S.C)**

**Introduction**

We have reviewed the accompanying condensed interim financial statements of **Fujairah Cement Industries P.J.S.C (the "Company")** which comprise the condensed interim statement of financial position as at 31 March 2020 and the condensed interim statement of comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed 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 on 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.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 31 March 2020 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

**TALAL ABU-GHAZALEH & CO. INTERNATIONAL**

  
**Ali Hasan Shalabi**  
Licensed Auditor No. 34

13 August 2020


**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
**Condensed Interim Statement of Financial Position**  
**As at 31 March 2020**

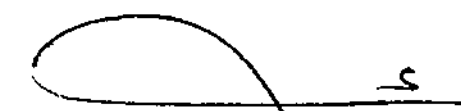
**EXHIBIT A**

	<u>Note</u>	<u>31 March 2020</u> <u>(Unaudited)</u> AED	<u>31 December 2019</u> <u>(Audited)</u> AED
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,193,840,133	1,189,288,091
Right -of -use Assets	6	120,541,929	122,914,188
<b>Total Non-Current Assets</b>		<b>1,314,382,062</b>	<b>1,312,202,279</b>
<b>Current Assets</b>			
Inventories	7	382,079,373	398,594,223
Trade receivables	8	240,652,545	218,409,772
Advances and other receivables	9	17,763,304	6,645,037
Cash and bank balances	10	8,808,771	40,953,785
<b>Total Current Assets</b>		<b>649,303,993</b>	<b>664,602,817</b>
<b>TOTAL ASSETS</b>		<b>1,963,686,055</b>	<b>1,976,805,096</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	11	355,865,320	355,865,320
Statutory reserve	12	161,750,412	161,750,412
Voluntary reserve	13	222,536,002	222,536,002
Retained earnings		273,251,158	289,562,667
<b>Total Shareholders' Equity – Exhibit C</b>		<b>1,013,402,892</b>	<b>1,029,714,401</b>
<b>Non-Current Liabilities</b>			
Employees' end of service benefits	14	14,248,671	14,220,332
Lease liabilities	15	124,133,257	123,150,102
Bank borrowings	16	296,309,059	312,850,828
<b>Total Non-Current Liabilities</b>		<b>434,690,987</b>	<b>450,221,262</b>
<b>Current Liabilities</b>			
Trade and other payables	17	128,069,033	111,327,087
Lease liabilities	15	10,994,199	10,835,918
Bank borrowings	16	376,528,944	374,706,428
<b>Total Current Liabilities</b>		<b>515,592,176</b>	<b>496,869,433</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,963,686,055</b>	<b>1,976,805,096</b>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved for issue on behalf of the Board of Directors on 13 August 2020

  
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**Sheikh Mohamed Bin Hamad Saif Al Sharqi**  
**(Chairman)**

  
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**Board Member**

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
**Condensed Interim Statement of Comprehensive Income**  
**For the Three Months Period Ended 31 March 2020 (Unaudited)**

**EXHIBIT B**

	Note	<b>Three months period ended</b>	
		<b>31 March 2020</b>	<b>31 March 2019</b>
		<b>AED</b>	<b>AED</b>
Revenue	18	<b>144,072,267</b>	156,662,888
Cost of revenue		<b>(131,919,600)</b>	(129,111,771)
Gross profit		<b>12,152,667</b>	27,551,117
Other income	19	<b>898,230</b>	3,571,951
Selling and distribution expenses		<b>(16,811,002)</b>	(19,288,292)
General administrative expenses		<b>(3,013,232)</b>	(3,531,321)
Finance cost	20	<b>(9,538,172)</b>	(7,207,229)
<b>(Loss)/profit for the period - Exhibit D</b>		<b>(16,311,509)</b>	1,096,226
Other comprehensive income		--	--
<b>Total Comprehensive (loss)/income for the period - Exhibit C</b>		<b>(16,311,509)</b>	1,096,226
<b>Basic (loss)/earnings per share</b>	21	<b>(0.045)</b>	0.003

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
 Condensed Interim Statement of Changes In Equity  
 For the Three Months Period Ended 31 March 2020 (Unaudited)

**EXHIBIT C**

	<u>Share Capital</u> AED	<u>Statutory reserves</u> AED	<u>Voluntary reserve</u> AED	<u>Retained earnings</u> AED	<u>Total</u> AED
Balance at 1 January 2019(Audited)	355,865,320	160,876,827	222,536,002	300,716,317	1,039,994,466
Total comprehensive income for the three months period ended 31 March 2019 - Exhibit B	--	--	--	1,096,226	1,096,226
<b>Balance at 31 March 2019 (Unaudited)</b>	<b>355,865,320</b>	<b>160,876,827</b>	<b>222,536,002</b>	<b>301,812,543</b>	<b>1,041,090,692</b>
<b>Balance at 1 January 2020 (Audited)</b>	<b>355,865,320</b>	<b>161,750,412</b>	<b>222,536,002</b>	<b>289,562,667</b>	<b>1,029,714,401</b>
Total comprehensive loss for the period ended 31 March 2020 - Exhibit B	--	--	--	(16,311,509)	(16,311,509)
<b>Balance at 31 March 2020 (Unaudited) - Exhibit A</b>	<b>355,865,320</b>	<b>161,750,412</b>	<b>222,536,002</b>	<b>273,251,158</b>	<b>1,013,402,892</b>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
 CONDENSED INTERIM FINANCIAL STATEMENTS**

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
**Condensed Interim Statement of Cash Flows**  
**For the Three Months Period Ended 31 March 2020 (Unaudited)**

**EXHIBIT D**

	<b>Three months period ended</b>	
	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>AED</b>	<b>AED</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the period - Exhibit B	(16,311,509)	1,096,226
<b>Adjustments for:</b>		
Depreciation	13,346,739	12,980,743
Amortization of right of use assets	2,372,259	2,255,371
Gain on sale of property, plant and equipment	(62,999)	(199)
Employees end of service benefits	292,139	1,021,726
Reversal of excess of provision for employees end of service benefits	--	(1,625,594)
Finance cost	9,538,172	6,281,740
Operating Cash flows Before Changes in Operating assets and liabilities	<u>9,174,801</u>	<u>22,010,013</u>
Decrease in inventories	16,514,850	3,839,488
Increase in trade receivables	(22,242,773)	(4,049,113)
Increase in advances and other receivables	(11,118,267)	(18,068,582)
Increase in trade and other payables	16,288,437	10,545,982
Settlements of employees end of service benefits	(263,800)	(806,335)
<b>Net Cash Provided by Operating Activities</b>	<u>8,353,248</u>	<u>13,471,453</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition of property, plant and equipment	(17,898,782)	(11,188,653)
Proceeds from disposal of property, plant and equipment	63,000	200
<b>Net Cash Used in Investing Activities</b>	<u>(17,835,782)</u>	<u>(11,188,453)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of bank borrowings	(16,402,542)	(14,884,457)
Proceeds from other bank borrowings, net	1,683,289	14,398,649
Finance cost paid	(7,943,227)	(5,486,542)
Dividends paid	--	(2,965)
<b>Net Cash Used in Financing Activities</b>	<u>(22,662,480)</u>	<u>(5,975,315)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(32,145,014)</u>	<u>(3,692,315)</u>
Cash and cash equivalents at beginning of period	40,953,785	16,834,898
<b>Cash and Cash Equivalents at end of Period - Note 22</b>	<u>8,808,771</u>	<u>13,142,583</u>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

**1. STATUS AND ACTIVITIES**

**Fujairah Cement Industries P.J.S.C – Fujairah** (the “Company”) is a public joint stock company in the Emirate of Fujairah – United Arab Emirates established on 20 December 1979. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange and Boursa Kuwait (Kuwait Stock Exchange).

The main activities of Company are clinkers and hydraulic cement manufacturers and Ready Mixed Concrete Manufacturing.

The Company is domiciled registered address in P.O. Box : 600, Fujairah - United Arab Emirates.

**2. NEW AND REVISED STANDARDS ADOPTED**

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed interim financial statements.

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

The condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34, “Interim Financial Reporting”.

Condensed interim financial statements does not include all of the information and footnotes required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company’s annual audited financial statements as at and for the year ended 31 December 2019. In addition, results for the three months period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2020.

**3.2 Basis of measurement**

These condensed interim financial statements are prepared under the historical cost convention.

These condensed interim financial statements are presented in Arab Emirates Dirham (AED), which is the Company’s Functional Currency. Amounts in the condensed interim financial statements are rounded to the nearest Arab Emirates Dirham (AED).

**3.3 Judgments and estimates**

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as that were applied to financial statements for the year ended 31 December 2019.



## **2. BASIS OF PREPARATION (CONTINUED)**

### **3.3 Judgments and estimates (Continued)**

The potential impact of the coronavirus pandemic on the Company's performance and ability of continuity is uncertain, up to reporting date, the pandemic had no material impact on the Company operating results. However, the Company continued to monitor the situation closely the potential impact on operating results. The situation could change at any time and there can be assurance that the coronavirus pandemic will have a material adverse on the future results of the Company

### **3.4 Financial risk management**

The Company's financial risk management objective and policies are consistent with those disclosed in audited financial statements for the year ended 31 December 2019.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the Company's audited annual financial statements for the year ended 31 December 2019.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to property, plant and equipment have been disclosed in the condensed interim financial statements.

### **4.1 Property, plant and equipment**

The property, plant and equipment are carried at their cost less any accumulated depreciation and any accumulated impairment. Cost includes purchase cost together with any incidental costs of acquisition.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item and the cost of the item can be measured reliably.

The cost of day to day service of property and equipment is expensed as incurred.

Depreciation of an asset begins when it is available for use in the manner intended by management.

Depreciation is calculated on a straight line basis over the estimated useful lives which are as follows :

	<u>Estimated useful lives</u> Years
Buildings	8 - 35
Plant and machinery	6 - 35
Furniture and fixtures	4
Vehicle and mobile plant	4
Tools and equipment	2 - 4
Quarry development costs	6 - 20

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Property, plant and equipment (Continued)**

No depreciation is charged on land and capital work-in-progress. The depreciation charge for each period is recognized in the condensed interim statement of comprehensive income.

The estimated useful lives, residual values and depreciation method are reviewed and adjusted if appropriate at each reporting date. An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount.

Gain or loss arising on disposal of any item of property and equipment (calculated as the difference between the net disposal proceeds, and the carrying amount of the asset) is recognized in the condensed interim statement of comprehensive income.

##### ***Capital work-in-progress***

Properties in the course of construction for production, supply or administrative purposes or for purposes not yet determined are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
Notes to the Condensed Interim Financial Statements  
For the Three Months Period Ended 31 March 2020

**5. PROPERTY, PLANT AND EQUIPMENT**

a) The details of this item are as follows :

	Land & Building AED	Plant And Machinery AED	Furniture and Fixtures AED	Vehicles and Mobile Plant AED		Tools And Equipment AED	Quarry Development Cost AED	Capital Work In Progress AED	Total AED
				Plant AED	Cost AED				
<b>Cost :</b>									
At 1 January 2019	158,770,312	1,987,480,310	3,431,329	27,439,477	12,949,772	30,918,672	1,901,834	2,222,891,706	
Additions during the year	41,800	17,037,732	99,937	1,815,413	162,665	380,453	1,925,057	21,463,057	
Disposals during the year	--	--	--	(347,400)	--	--	--	(347,400)	
Transfers	--	1,256,548	--	--	--	650,000	(1,906,548)	--	
<b>Balance at 31 December 2019</b>	<b>158,812,112</b>	<b>2,005,774,590</b>	<b>3,531,266</b>	<b>28,907,490</b>	<b>13,112,437</b>	<b>31,949,125</b>	<b>1,920,343</b>	<b>2,244,007,363</b>	
Additions during the period	--	16,066,928	5,360	945,000	7,738	--	873,756	17,898,782	
Disposals during the period	--	--	--	(78,000)	--	--	--	(78,000)	
Transfers	1,289,524	133,333	--	--	--	--	(1,422,857)	--	
<b>Balance at 31 March 2020</b>	<b>160,101,636</b>	<b>2,021,974,851</b>	<b>3,536,626</b>	<b>29,774,490</b>	<b>13,120,175</b>	<b>31,949,125</b>	<b>1,371,242</b>	<b>2,261,828,145</b>	
<b>Accumulated Depreciation :</b>									
At 1 January 2019	39,594,671	899,315,644	2,949,339	25,286,040	12,518,021	23,145,667	--	1,002,809,382	
Addition during the year	4,782,817	45,174,736	228,103	982,861	257,616	827,374	--	52,253,507	
Disposals during the year	--	--	--	(343,617)	--	--	--	(343,617)	
<b>Balance at 31 December 2019</b>	<b>44,377,488</b>	<b>944,490,380</b>	<b>3,177,442</b>	<b>25,925,284</b>	<b>12,775,637</b>	<b>23,973,041</b>	<b>--</b>	<b>1,054,719,272</b>	
Addition during the period	1,211,785	11,427,307	55,538	362,116	58,473	231,520	--	13,346,739	
Disposals during the period	--	--	--	(77,999)	--	--	--	(77,999)	
<b>Balance at 31 March 2020</b>	<b>45,589,273</b>	<b>955,917,687</b>	<b>3,232,980</b>	<b>26,209,401</b>	<b>12,834,110</b>	<b>24,204,561</b>	<b>--</b>	<b>1,067,988,012</b>	
<b>Net Book Value :</b>									
At 31 March 2020 - Exhibit A (Unaudited)	114,512,363	1,066,057,164	303,646	3,565,089	286,065	7,744,564	1,371,242	1,193,840,133	
At 31 December 2019 - Exhibit A (Audited)	114,434,624	1,061,284,210	353,824	2,982,206	336,800	7,976,084	1,920,343	1,189,288,091	

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- b) Part of the buildings, plant and machinery are constructed/erected on land obtained on lease from the Government of Fujairah.
- c) Vehicles and mobile plant of AED. 29,774,490 (2019 : AED. 28,907,490) mentioned above include motor vehicles of AED. 1,330,044 (Net book value: AED. 58,345) are mortgaged against their purchase finance.
- d) Registered chattel mortgage (being executed) over the Waste Heat Recovery captive power plant expansion project and assignment of insurance policy covering the project in favour of the bank against a term loan (Note 16).
- e) Insurance policy covering movable assets are assigned in favor of a bank against a term loan (Note 16).
- f) Commercial mortgage over thermal power plant 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 term loans and bank borrowings (Note 16).
- g) Depreciation is fully charged to cost of sales.
- h) Cost of fully depreciated property, plant and equipment that was still in use , at the end of the reporting period , amounted to AED. 355,111,153 (2019 : AED. 354,131,109).
- i) Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 16).

**6. RIGHT-OF-USE ASSET**

The movement of the right-of-use asset is summarized as follows :

	<b>31 March 2020</b>	31 December 2019
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>AED</b>	<b>AED</b>
<b>Cost :</b>		
<b>Balance at 1 January</b>	<b>132,403,222</b>	132,403,222
<b>Depreciation :</b>		
Balance at 1 January	9,489,034	--
Charged for the period/year	2,372,259	9,489,034
<b>Balance</b>	<b>11,861,293</b>	9,489,034
<b>Net book Value –Exhibit A</b>	<b>120,541,929</b>	122,914,188

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
Notes to the Condensed Interim Financial Statements  
For the Three Months Period Ended 31 March 2020

**7. INVENTORIES**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> AED	31 December 2019 <b>(Audited)</b> AED
Raw Materials	14,612,614	11,841,898
Semi-finished products	135,390,970	180,413,316
Finished products	2,600,089	2,399,306
<b>Total</b>	<b>152,603,673</b>	194,654,520
Spare parts	135,080,011	149,499,194
Allowance for slow-moving spare parts	<b>(24,000,000)</b>	(24,000,000)
<b>Net</b>	<b>111,080,011</b>	125,499,194
Buring media	102,935,837	76,658,683
Bags and packing material	755,280	727,877
<b>Total</b>	<b>103,691,117</b>	77,386,560
Good-in-transit	14,704,572	1,053,949
<b>Total – Exhibit A</b>	<b>382,079,373</b>	398,594,223

**8. TRADE RECEIVABLES**

a) This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> AED	31 December 2019 <b>(Audited)</b> AED
Trade receivables	242,657,201	220,414,428
Provision for impairment of trade receivables	<b>(2,004,656)</b>	(2,004,656)
<b>Net amount – Exhibit A</b>	<b>240,652,545</b>	218,409,772
<b>Coverage :</b>		
Trade receivables against BG and L/C's	105,061,027	115,699,168
Trade receivables	135,591,518	102,710,604
<b>Total – Exhibit A</b>	<b>240,652,545</b>	218,409,772

b) Trade receivables are assigned against bank borrowings (Note 16).

**FUJAIRAH CEMENT INDUSTRIES P.J.S.C**  
Notes to the Condensed Interim Financial Statements  
For the Three Months Period Ended 31 March 2020

**9. ADVANCES AND OTHER RECEIVABLES**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Prepayments	10,807,091	595,843
Advances to suppliers	6,167,546	5,056,134
Other receivables	788,667	993,060
<b>Total - Exhibit A</b>	<b>17,763,304</b>	<b>6,645,037</b>

**10. CASH AND BANK BALANCES**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Cash in hand	169,060	155,838
Bank balances - Current accounts	8,639,711	40,797,947
<b>Total - Exhibit A</b>	<b>8,808,771</b>	<b>40,953,785</b>

**11. SHARE CAPITAL**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
<b>Authorized share capital is 355,865,320 ordinary shares of AED. 1 each fully paid – Exhibit A</b>	<b>355,865,320</b>	<b>355,865,320</b>

**12. STATUTORY RESERVE**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Balance at the beginning of the period/year	161,750,412	160,876,827
Add: Transferred from profit for the period/year	--	873,585
<b>Balance at the end of the period/year - Exhibit C</b>	<b>161,750,412</b>	<b>161,750,412</b>

**12. STATUTORY RESERVE (CONTINUED)**

In accordance with UAE Federal Law No. (2) of 2015 and Company's Articles of Association, 10% of the profit of each year is to be appropriated to a statutory reserve. Transfer may be discounted when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution except in the circumstances stipulated by the law.

**13. VOLUNTARY RESERVE**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> AED	31 December 2019 <b>(Audited)</b> AED
Balance at the end of the period/year- <b>Exhibit C</b>	<b>222,536,002</b>	222,536,002

In prior years, 10% of the profit was appropriated to a voluntary reserve. This reserve is distributable when approved by a shareholders' resolution based on the recommendation of the Board of Directors in accordance with UAE Federal Law No. (2) of 2015 and the Company's Articles of Association.

**14. EMPLOYEES END OF SERVICE BENEFITS**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> AED	31 December 2019 <b>(Audited)</b> AED
Balance at the beginning of the period/year	14,220,332	15,977,927
Charge for the period/year	292,139	1,893,863
Paid during the period/year	(263,800)	(2,025,864)
Reversal of excess provision	--	(1,625,594)
<b>Balance at the end of the period/year - Exhibit A</b>	<b>14,248,671</b>	14,220,332

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**15. LEASE LIABILITIES**

The details of lease liabilities during the period/year are as follows :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
Balance at the beginning of the period/year	<b>133,986,020</b>	140,016,064
Lease liabilities for the period/year	<b>1,141,436</b>	4,593,406
Payment during the period/year	--	(10,623,450)
<b>Balance at the end of the period/year - Exhibit C</b>	<b>135,127,456</b>	<b>133,986,020</b>
<b>Non-Current -Exhibit A</b>	<b>124,133,257</b>	123,150,102
<b>Current -Exhibit A</b>	<b>10,994,199</b>	10,835,918
<b>Total</b>	<b>135,127,456</b>	<b>133,986,020</b>

**16. BANK BORROWINGS**

**a) Term bank loans**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
Balance at the beginning of the period/year	<b>379,133,032</b>	338,181,998
Received during the period/year	--	101,752,488
Repaid during the period/year	<b>(16,402,542)</b>	(60,801,454)
Balance at the end of the period/year	<b>362,730,490</b>	<b>379,133,032</b>
Non-Current portion –Note 16(c)(i)	<b>296,309,059</b>	312,850,828
Current portion – Note 16(c)(ii)	<b>66,421,431</b>	66,282,204
<b>Total</b>	<b>362,730,490</b>	<b>379,133,032</b>

**b) Other bank borrowings**

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
Trust receipts	<b>149,502,526</b>	140,424,224
Short terms loans	<b>143,000,000</b>	168,000,000
Overdrafts	<b>17,604,987</b>	--
<b>Total - Note 16(c)(ii)</b>	<b>310,107,513</b>	<b>308,424,224</b>



**16. BANK BORROWINGS (CONTINUED)**

**c) The details of the bank borrowings are as follows :**

**i) Bank borrowings Non-current portion**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
In the second year	63,542,078	66,167,078
In the third year	194,937,094	203,449,594
After five year	37,829,887	43,234,156
<b>Total – Exhibit A</b>	<b>296,309,059</b>	<b>312,850,828</b>

**ii) Bank borrowings Current portion**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
Current portion of term bank loans - Note 16(a)	66,421,431	66,282,828
Other bank borrowings – Note 16(b)	310,107,513	308,424,224
<b>Total - Exhibit A</b>	<b>376,528,944</b>	<b>374,706,428</b>
<b>Total Bank borrowings [a + b]</b>	<b>672,838,003</b>	<b>687,557,256</b>

**iii) Bank borrowings are secured by:**

- Register charge over Thermal Power Plant (including machinery).
- Registered chattel mortgage over the Waste Heat Recovery based captive power plant expansion project
- Assignment of insurance policy for AED. 437 million covering factory on a pari passu basis.
- Assignment of insurance policy for AED. 236.9 million covering the Thermal Power Plant.
- Assignment of insurance policy for AED. 124.2 million covering the Waste Heat Recovery based captive power plant expansion project.
- Assignment of insurance policies covering moveable assets on pari passu basis
- Assignment of leasehold rights (between the Company & Dibba Municipality) over the land on which the Thermal Power Plant is located.
- Hypothecation of certain vehicles.
- Assignment of insurance policy over inventories on pari passu basis.
- General assignments of trade receivables in favor of the bank.
- Registered mortgage and assignment of insurance policy over specific machinery upgraded.
- Promissory note.

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**17. TRADE AND OTHER PAYABLES**

This items consists of the following :

	<b>31 March 2020</b>	31 December 2019
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>AED</b>	<b>AED</b>
Trade payables	94,647,053	89,967,643
Retentions payable	79,000	79,000
Dividends payable	3,970,174	3,971,953
Advanced received from customers	851,015	2,911,596
Accrued expenses	23,587,418	10,008,986
Accrued interest payables	4,022,453	3,568,944
Tax payable	544,583	129,529
Others	367,337	689,436
<b>Total – Exhibit A</b>	<b>128,069,033</b>	<b>111,327,087</b>

**18. REVENUE**

This items consists of the following :

	<b>Three months period ended</b>	
	<b>31 March 2020</b>	31 March 2019
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>AED</b>	<b>AED</b>
<b>Sales :</b>		
Within UAE	76,547,100	76,503,079
Outside - UAE-GCC	67,525,167	80,159,809
<b>Total – Exhibit B</b>	<b>144,072,267</b>	<b>156,662,888</b>

**19. OTHER INCOME**

This items consists of the following :

	<b>Three months period ended</b>	
	<b>31 March 2020</b>	31 March 2019
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>AED</b>	<b>AED</b>
Reversal of excess provision for employees end of service benefits	--	1,625,594
Accounts payable balances written off	--	1,269,000
Miscellaneous income	898,230	677,357
<b>Total – Exhibit B</b>	<b>898,230</b>	<b>3,571,951</b>

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**15. LEASE LIABILITIES**

The details of lease liabilities during the period/year are as follows :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Balance at the beginning of the period/year	133,986,020	140,016,064
Lease liabilities for the period/year	1,141,436	4,593,406
Payment during the period/year	--	(10,623,450)
<b>Balance at the end of the period/year - Exhibit C</b>	<b>135,127,456</b>	<b>133,986,020</b>
<b>Non-Current -Exhibit A</b>	<b>124,133,257</b>	<b>123,150,102</b>
<b>Current -Exhibit A</b>	<b>10,994,199</b>	<b>10,835,918</b>
<b>Total</b>	<b>135,127,456</b>	<b>133,986,020</b>

**16. BANK BORROWINGS**

**a) Term bank loans**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Balance at the beginning of the period/year	379,133,032	338,181,998
Received during the period/year	--	101,752,488
Repaid during the period/year	(16,402,542)	(60,801,454)
Balance at the end of the period/year	<b>362,730,490</b>	<b>379,133,032</b>
Non-Current portion –Note 16(c)(i)	296,309,059	312,850,828
Current portion – Note 16(c)(ii)	66,421,431	66,282,204
<b>Total</b>	<b>362,730,490</b>	<b>379,133,032</b>

**b) Other bank borrowings**

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Trust receipts	149,502,526	140,424,224
Short terms loans	143,000,000	168,000,000
Overdrafts	17,604,987	--
<b>Total - Note 16(c)(ii)</b>	<b>310,107,513</b>	<b>308,424,224</b>

**16. BANK BORROWINGS (CONTINUED)**

**c) The details of the bank borrowings are as follows :**

**i) Bank borrowings Non-current portion**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
In the second year	<b>63,542,078</b>	66,167,078
In the third year	<b>194,937,094</b>	203,449,594
After five year	<b>37,829,887</b>	43,234,156
<b>Total – Exhibit A</b>	<b>296,309,059</b>	<b>312,850,828</b>

**ii) Bank borrowings Current portion**

This item consists of the following :

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	<b>31 December 2019</b> <b>(Audited)</b> <b>AED</b>
Current portion of term bank loans - Note 16(a)	<b>66,421,431</b>	66,282,828
Other bank borrowings – Note 16(b)	<b>310,107,513</b>	308,424,224
<b>Total - Exhibit A</b>	<b>376,528,944</b>	<b>374,706,428</b>
<b>Total Bank borrowings [a + b]</b>	<b>672,838,003</b>	<b>687,557,256</b>

**iii) Bank borrowings are secured by:**

- Register charge over Thermal Power Plant (including machinery).
- Registered chattel mortgage over the Waste Heat Recovery based captive power plant expansion project
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- Assignment of insurance policy for AED. 124.2 million covering the Waste Heat Recovery based captive power plant expansion project.
- Assignment of insurance policies covering moveable assets on pari passu basis
- Assignment of leasehold rights (between the Company & Dibba Municipality) over the land on which the Thermal Power Plant is located.
- Hypothecation of certain vehicles.
- Assignment of insurance policy over inventories on pari passu basis.
- General assignments of trade receivables in favor of the bank.
- Registered mortgage and assignment of insurance policy over specific machinery upgraded.
- Promissory note.

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**20. FINANCE COST**

This items consists of the following :

	<b>Three months period ended</b>	<b>31 March 2019</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>AED</b>	<b>AED</b>
Interest expenses on borrowing	8,396,736	6,048,701
Interest expenses of lease liabilities	1,141,436	1,158,528
<b>Total – Exhibit B</b>	<b>9,538,172</b>	<b>7,207,229</b>

**21. BASIC (LOSS)/EARNINGS PER SHARE**

This items consists of the following :

	<b>Three months period ended</b>	<b>31 March 2019</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss)/profit for the period (AED)	(16,311,509)	1,096,226
Number of shares (Share)	355,865,320	355,865,320
<b>Basic (loss)/earnings per share (AED per share)</b>		
<b>– Exhibit B</b>	<b>(0.045)</b>	<b>0.003</b>

**22. CASH AND CASH EQUIVALENTS**

At 31 March 2020 and 2019 “cash and cash equivalents” included in the condensed interim statement of cash flows (Exhibit D) comprise the following items :

	<b>Three months period ended</b>	<b>31 March 2019</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>AED</b>	<b>AED</b>
Cash in hand	169,060	202,103
Bank balances -Current accounts	8,639,711	12,940,480
<b>Total - Exhibit D</b>	<b>8,808,771</b>	<b>13,142,583</b>

**23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

In the normal course of business, the Company enters into various transactions with related parties. Related parties represent main shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the Company's management.

	<b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 December 2019 <b>(Audited)</b> <b>AED</b>
• Balances due from related parties (included in trade receivables)	<b>2,241,851</b>	1,354,823
• Balances due to related parties (included in trade and other payables)	<b>580,549</b>	951,716

- The following are the details of significant related parties transactions :

	<b>Three months period ended</b> <b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 March 2019 <b>(Unaudited)</b> <b>AED</b>
Sales	<b>1,193,108</b>	27,597,358
Construction of property, plant and equipment	<b>666,475</b>	--
Purchases / Services Contracts	<b>38,774</b>	900,000

The remuneration, salaries and other benefits of Board of Directors and other members of key management during the period were as follows :

	<b>Three months period ended</b> <b>31 March 2020</b> <b>(Unaudited)</b> <b>AED</b>	31 March 2019 <b>(Unaudited)</b> <b>AED</b>
Key management remuneration	<b>1,046,384</b>	1,561,524

Remuneration to the Board of Directors for the year 2019, approved in the Annual General Meeting held on 18 June 2020 amounts to AED. Nil (2018 : AED. 1,222,650).

**24. CONTINGENT LIABILITIES AND COMMITMENTS**

*i) Contingent liabilities*

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

*ii) Commitments*

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
	<b>AED</b>	<b>AED</b>
Commitments for the purchase of property, plant and equipment	<b><u>657,000</u></b>	<b><u>1,059,362</u></b>

**25. COMPARATIVE FIGURES**

Certain figures of the prior period/year were reclassified to conform to the current period's presentation. However such reclassification has no impact on the previously reported financial result or equity.