

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

**CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE NINE MONTHS
PERIOD ENDED 30 SEPTEMBER 2020**

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Financial Statements
For the Nine Months Period Ended 30 September 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 Shareholding Company
Fujairah – United Arab Emirates**

Introduction

We have reviewed the accompanying condensed interim financial statements of **Fujairah Cement Industries P.J.S.C (the "Company")** which comprise the interim statement of financial position as at 30 September 2020 and the condensed interim statement of comprehensive income, changes in equity and cash flows for the nine months 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 30 September 2020 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL



Ali Masan Shalabi
Licensed Auditor No. 34
12 November 2020


FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Interim Statement of Financial Position
As at 30 September 2020

EXHIBIT A

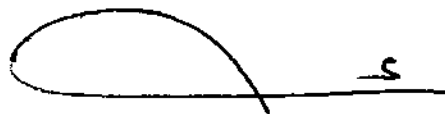
	Note	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,168,096,597	1,189,288,091
Right-of-use assets	6	115,797,412	122,914,188
Total Non-Current Assets		1,283,894,009	1,312,202,279
Current Assets			
Inventories	7	393,153,320	398,594,223
Trade receivables	8	179,047,093	218,409,772
Advances and other receivables	9	7,563,227	6,645,037
Cash and bank balances	10	4,898,705	40,953,785
Total Current Assets		584,662,345	664,602,817
TOTAL ASSETS		1,868,556,354	1,976,805,096
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
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		225,854,280	289,562,667
Total Shareholders' Equity – Exhibit C		966,006,014	1,029,714,401
Non-Current Liabilities			
Employees' end of service benefits	14	14,202,801	14,220,332
Lease liabilities	15	126,478,809	123,150,102
Bank borrowings	16	263,225,520	312,850,828
Total Non-Current Liabilities		403,907,130	450,221,262
Current Liabilities			
Trade and other payables	17	127,657,399	111,327,087
Lease liabilities	15	10,835,918	10,835,918
Bank borrowings	16	360,149,893	374,706,428
Total Current Liabilities		498,643,210	496,869,433
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,868,556,354	1,976,805,096

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

These condensed interim financial statements were approved for issue by the Board
of Directors on 12 November 2020 and sign by :



Sheikh Mohamed Bin Hamad Saif Al Sharqi
(Chairman)



Board Member

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
 Condensed Interim Statement of Other Comprehensive Income
 For the Nine Months Period Ended 30 September 2020 (Unaudited)

EXHIBIT B

	Note	Nine months period ended		Three months period ended	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		AED	AED	AED	AED
Revenue	18	357,230,406	401,542,248	126,432,068	107,231,445
Cost of sales		(328,576,765)	(313,278,312)	(121,073,021)	(80,941,273)
Gross profit		28,653,641	88,263,936	5,359,047	26,290,172
Gain on sale of investment in an associate		--	8,990,364	--	2,302,050
Other income	19	1,611,325	4,285,745	471,996	331,089
Selling and distribution expenses		(46,494,780)	(54,237,687)	(17,969,222)	(15,202,889)
General administrative expenses		(8,655,644)	(11,093,986)	(2,949,585)	(3,681,118)
Provision for impairment of trade receivables		(12,500,000)	--	(12,500,000)	--
Finance cost – bank borrowing		(22,994,222)	(24,155,438)	(6,880,408)	(8,039,132)
Finance cost – lease liability		(3,328,707)	(3,449,600)	(1,089,024)	(1,144,137)
(Loss)/profit for the period - Exhibit D		(63,708,387)	8,603,334	(35,557,196)	856,035
Other comprehensive income		--	--	--	--
Total Comprehensive (loss)/income for the period - Exhibit C		(63,708,387)	8,603,334	(35,557,196)	856,035
Basic (loss)/earnings per share	20	(0.179)	0.024	(0.099)	0.002

FUJAIH CEMENT INDUSTRIES P.J.S.C
 Condensed Interim Statement of Changes In Equity
 For the Nine Months Period Ended 30 September 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 period ended 30 September 2019 - Exhibit B	--	--	--	8,603,334	8,603,334
Remuneration to the Board of Director	--	--	--	(1,222,650)	(1,222,650)
Dividends paid	--	--	--	(17,793,266)	(17,793,266)
Balance at 30 September 2019 (Unaudited)	355,865,320	160,876,827	222,536,002	290,303,735	1,029,581,884
Balance at 1 January 2020 (Audited)	355,865,320	161,750,412	222,536,002	289,562,667	1,029,714,401
Total comprehensive loss for the period ended 30 September 2020 - Exhibit B	--	--	--	(63,708,387)	(63,708,387)
Balance at 30 September 2020 (Unaudited) - Exhibit A	355,865,320	161,750,412	222,536,002	225,854,280	966,006,014

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 Nine Months Period Ended 30 September 2020 (Unaudited)

EXHIBIT D

	<u>Nine months period ended</u>	
	<u>30 September 2020</u>	<u>30 September 2019</u>
	AED	AED
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit for the period - Exhibit B	(63,708,387)	8,603,334
Adjustments for:		
Depreciation	40,204,814	39,109,375
Amortization of right-of-use assets	7,116,776	7,116,776
Gain on sale of property, plant and equipment	(62,999)	(25,198)
Employees end of service benefits	866,565	1,602,442
Provision for impairment of trade receivables	12,500,000	--
Gain on sale of investment in associate	--	(8,990,364)
Reversal of excess of provision for employees end of service benefits	--	(1,625,594)
Finance cost – lease liability	3,328,707	3,449,600
Finance cost – bank borrowings	22,994,222	24,155,438
Operating Cash flows Before Changes in Operating assets and liabilities	23,239,698	73,395,809
Decrease/(increase) in inventories	5,440,903	(50,835,245)
Decrease/(increase) in trade receivables	26,862,679	(13,085,436)
Increase in advances and other receivables	(918,190)	(8,882,374)
Increase/(decrease) in trade and other payables	14,805,776	(3,074,678)
Settlements of employees end of service benefits	(884,096)	(1,702,331)
Net Cash Provided by/(Used in) Operating Activities	68,546,770	(4,184,255)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(19,013,321)	(18,463,895)
Proceeds from sale of property, plant and equipment	63,000	25,200
Proceeds from sale of investment	--	22,525,546
Net Cash (Used in)/Provided by Investing Activities	(18,950,321)	4,086,851
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	--	(7,758,800)
Proceeds from term loans	--	1,752,488
Repayments of term loans	(42,271,020)	(45,339,996)
Proceeds from other bank borrowings, net	--	86,351,380
Repayments of other bank borrowings, net	(21,910,823)	--
Finance cost paid on bank borrowings	(21,469,686)	(24,559,299)
Dividends paid	--	(17,793,266)
Remuneration to the board of directors	--	(1,222,650)
Net Cash Used in Financing Activities	(85,651,529)	(8,570,143)
Net decrease in cash and cash equivalents	(36,055,080)	(8,667,547)
Cash and cash equivalents at the beginning of the period	40,953,785	16,834,898
Cash and Cash Equivalents at end of Period - Note 21	4,898,705	8,167,351

**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.

The Company is domiciled on its 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 nine months period ended 30 September 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.

3. 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 no assurance that the coronavirus pandemic will not have a material adverse impact 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
Factory 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 Nine Months Period Ended 30 September 2020

5. PROPERTY, PLANT AND EQUIPMENT

a) The details of this item are as follows :

	Land AED	Factory buildings 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
Cost :									
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)	--
Balance at 31 December 2019	--	158,812,112	2,005,774,590	3,531,266	28,907,490	13,112,437	31,949,125	1,920,343	2,244,007,363
Additions during the period	--	--	17,033,393	8,860	945,000	34,810	--	991,258	19,013,321
Disposals during the period	--	--	--	--	(78,000)	--	--	--	(78,000)
Transfers	250,000	1,039,524	474,833	--	--	--	--	(1,764,357)	--
Balance at 30 September 2020	250,000	159,851,636	2,023,282,816	3,540,126	29,774,490	13,147,247	31,949,125	1,147,244	2,262,942,684
Accumulated Depreciation :									
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)
Balance at 31 December 2019	--	44,377,488	944,490,380	3,177,442	25,925,284	12,775,637	23,973,041	--	1,054,719,272
Additions during the period	--	3,636,006	34,561,686	157,659	1,006,363	148,539	694,561	--	40,204,814
Disposals during the period	--	--	--	--	(77,999)	--	--	--	(77,999)
Balance at 30 September 2020	--	48,013,494	979,052,066	3,335,101	26,853,648	12,924,176	24,667,602	--	1,094,846,087
Net Book Value :									
At 30 September 2020 - Exhibit A (Unaudited)	250,000	111,838,142	1,044,230,750	205,025	2,920,842	223,071	7,281,523	1,147,244	1,168,096,597
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 Company's buildings, plant and machinery are constructed/erected on land 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. 14,595) 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 and 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. 355,431,589 (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 :

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
Cost :		
Balance at 1 January	132,403,222	132,403,222
Depreciation :		
Balance at 1 January	9,489,034	--
Charged for the period	7,116,776	9,489,034
Balance at 30 September 2020	16,605,810	9,489,034
Net book Value – Exhibit A	115,797,412	122,914,188

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Nine Months Period Ended 30 September 2020

7. INVENTORIES

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Raw Materials	16,553,881	11,841,898
Semi-finished products	132,897,846	180,413,316
Finished products	2,517,037	2,399,306
Total	151,968,764	194,654,520
Spare parts	139,373,171	149,499,194
Allowance for slow-moving spare parts	(24,000,000)	(24,000,000)
Net	115,373,171	125,499,194
Burning media	124,596,519	76,658,683
Bags and packing material	1,106,878	727,877
Total	125,703,397	77,386,560
Good-in-transit	107,988	1,053,949
Total – Exhibit A	393,153,320	398,594,223

8. TRADE RECEIVABLES

a) This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Trade receivables	193,551,749	220,414,428
Provision for impairment of trade receivables - Note 8(c)	(14,504,656)	(2,004,656)
Net amount – Exhibit A	179,047,093	218,409,772
Coverage :		
Trade receivables against BG and L/C's	91,671,253	115,699,168
Trade receivables - uncovered	87,375,840	102,710,604
Total – Exhibit A	179,047,093	218,409,772

b) Assignment of collection right of trade receivables are assigned against bank borrowings (Note 16).

8. TRADE RECEIVABLES (CONTINUED)

c) Movement in provision for impairment of trade receivables :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	2,004,656	1,926,453
Additions during the period/year	12,500,000	81,370
Written off during the period/year	--	(3,167)
Balance at end of period/year – Note 8(a)	14,504,656	2,004,656

9. ADVANCES AND OTHER RECEIVABLES

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Prepayments	4,557,548	595,843
Advances to suppliers	1,871,941	5,056,134
Other receivables	1,133,738	993,060
Total - Exhibit A	7,563,227	6,645,037

10. CASH AND BANK BALANCES

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Cash in hand	465,667	155,838
Bank balances - Current accounts	4,433,038	40,797,947
Total – Exhibit A	4,898,705	40,953,785

11. SHARE CAPITAL

This item consists of the following :

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

12. STATUTORY RESERVE

This item consists of the following :

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

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 discontinued 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 :

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
Balance at the beginning of the period/year - Exhibit C	<u>222,536,002</u>	<u>222,536,002</u>

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 :

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
Balance at the beginning of the period/year	14,220,332	15,977,927
Charge for the period/year	866,565	1,893,863
Paid during the period/year	(884,096)	(2,025,864)
Reversal of excess provision	--	(1,625,594)
Balance at the end of the period/year - Exhibit A	<u>14,202,801</u>	<u>14,220,332</u>

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Interim Financial Statements
For the Nine Months Period Ended 30 September 2020

15. LEASE LIABILITIES

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Balance at the beginning of the period/year	133,986,020	140,016,064
Lease liabilities for the period/year	3,328,707	4,593,406
Payment during the period/year	--	(10,623,450)
Balance at the end of the period/year	137,314,727	133,986,020
Non-Current -Exhibit A	126,478,809	123,150,102
Current -Exhibit A	10,835,918	10,835,918
Total	137,314,727	133,986,020

16. BANK BORROWINGS

a) Bank term borrowing

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
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	(42,271,020)	(60,801,454)
Balance at the end of the period/year	336,862,012	379,133,032
Non-Current portion – Note 16(c)(i)	263,225,520	312,850,828
Current portion – Note 16(c)(ii)	73,636,492	66,282,204
Total	336,862,012	379,133,032

b) Other bank borrowings

This item consists of the following :

	30 September 2020 (Unaudited) AED	31 December 2019 (Audited) AED
Trust receipts	176,213,038	140,424,224
Short terms loans	103,000,000	168,000,000
Overdrafts	7,300,363	--
Total - Note 16(c)(ii)	286,513,401	308,424,224

16. BANK BORROWINGS (CONTINUED)

c) Details of bank borrowings are as follows :

i) Non-current portion

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
In the second year	58,292,078	66,167,078
In the third to fifth year	177,912,094	203,449,594
After five year	27,021,348	43,234,156
Total – Exhibit A	263,225,520	312,850,828

ii) Current portion

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
Bank term borrowings - Note 16(a)	73,636,492	66,282,204
Other bank borrowings – Note 16(b)	286,513,401	308,424,224
Total – Exhibit A	360,149,893	374,706,428
Total Bank borrowings	623,375,413	687,557,256

d) Bank borrowings are secured by:

- Registered charge over Thermal Power Plant (including machinery).
- Registered chattel mortgage (being executed) 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. 124.4 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 being upgraded.
- Promissory note.

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17. TRADE AND OTHER PAYABLES

This items consists of the following :

	30 September 2020	31 December 2019
	(Unaudited)	(Audited)
	AED	AED
Trade payables	103,738,829	89,967,643
Retentions payable	--	79,000
Dividends payable	3,972,703	3,971,953
Advanced received from customers	5,575,221	2,911,596
Accrued expenses	9,007,089	10,008,986
Accrued interest payables	5,093,480	3,568,944
Tax payable	--	129,529
Others	270,077	689,436
Total – Exhibit A	127,657,399	111,327,087

18. REVENUE

This items consists of the following :

	Nine months period ended		Three months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	AED	AED	AED	AED
Sales :				
Within UAE	159,187,762	184,620,252	37,909,680	50,646,557
Outside - UAE-GCC	109,879,035	203,404,748	32,990,658	56,584,888
Others	88,163,609	13,517,248	55,531,730	--
Total – Exhibit B	357,230,406	401,542,248	126,432,068	107,231,445

19. OTHER INCOME

This items consists of the following :

	Nine months period ended		Three months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	AED	AED	AED	AED
Excess provision for employees end of service benefits written back	--	1,625,594	--	--
Gain on disposal of property, plant and equipment	62,999	25,198	--	--
Accounts payable written off	--	1,269,000	--	--
Miscellaneous income	1,548,326	1,365,953	471,996	331,089
Total – Exhibit B	1,611,325	4,285,745	471,996	331,089

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20. BASIC (LOSS)/EARNINGS PER SHARE

This items consists of the following :

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>30 September 2020</u>	<u>30 September 2019</u>	<u>30 September 2020</u>	<u>30 September 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
(Loss)/profit for the period (AED)	(63,708,387)	8,603,334	(35,557,196)	856,035
Number of shares (Share)	355,865,320	355,865,320	355,865,320	355,865,320
Basic (loss)/earnings per share (AED. per share) – Exhibit B	<u>(0.179)</u>	<u>0.024</u>	<u>(0.099)</u>	<u>0.002</u>

21. CASH AND CASH EQUIVALENTS

At 30 September 2020 and 2019 “cash and cash equivalents’ included in the condensed interim statement of cash flows (Exhibit D) comprise the following items :

	<u>Nine months period ended</u>	
	<u>30 September 2020</u>	<u>30 September 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>
Cash in hand	465,667	144,749
Bank balances -Current accounts	4,433,038	8,022,602
Total - Exhibit D	<u>4,898,705</u>	<u>8,167,351</u>

22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company enters into various transactions with related parties. Related parties represent major 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.

	<u>30 September 2020</u>	<u>31 December 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
• Balances due from related parties (included in trade receivables)	1,916,159	1,354,823
• Balances due to related parties (included in trade and other payables)	191,130	951,716

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22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>30 September 2020</u>	<u>30 September 2019</u>	<u>30 September 2020</u>	<u>30 September 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED	AED	AED	AED
Sales	3,108,071	2,327,954	899,561	686,839
Construction of property, plant and equipment	666,475	1,192,297	--	787,297
Purchases / Services Contracts	1,010,553	900,000	43,499	900,000

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

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>30 September 2020</u>	<u>30 September 2019</u>	<u>30 September 2020</u>	<u>30 September 2019</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	AED	AED	AED	AED
Key management staff remuneration	2,767,408	3,427,328	922,658	907,707
Remuneration to the board of directors (as approved in the Shareholder General Assembly)	--	1,222,650	--	--

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

23. 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 financial statements as of the reporting date.

ii) Commitments

	<u>30 September 2020</u>	<u>31 December 2019</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	AED	AED
Commitments for the purchase of property, plant and equipment	<u>580,000</u>	<u>1,059,362</u>