

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS
PERIOD ENDED 30 JUNE 2021**

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

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**Review Report on Condensed Consolidated Interim
Financial Statements to the Board of Directors of
Fujairah Cement Industries P.J.S.C
Public Joint Stock Company**

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Fujairah Cement Industries P.J.S.C (the "Company") and its subsidiary (together referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at 30 June 2021 and the condensed consolidated interim statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

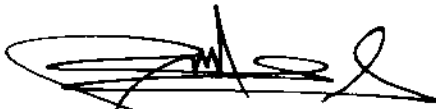
Scope of review

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 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 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 consolidated interim financial statements as at 30 June 2021 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

12 August 2021

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Consolidated Interim Statement of Financial Position
As at 30 June 2021

EXHIBIT A

	Note	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>31 December 2020</u> <u>(Audited)</u> AED
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,143,860,379	1,161,988,323
Right-of-use assets	6	108,680,635	113,425,153
Total Non-Current Assets		<u>1,252,541,014</u>	<u>1,275,413,476</u>
Current Assets			
Inventories	7	313,339,251	282,575,476
Trade receivables	8	127,614,852	174,559,787
Advances and other receivables	9	14,325,752	5,936,864
Cash and bank balances	10	820,717	1,256,558
Total Current Assets		<u>456,100,572</u>	<u>464,328,685</u>
TOTAL ASSETS		<u>1,708,641,586</u>	<u>1,739,742,161</u>
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		133,358,092	159,061,830
Total Shareholders' Equity – Exhibit C		<u>873,509,826</u>	<u>899,213,564</u>
Non-Current Liabilities			
Employees' end of service benefits	14	14,180,867	14,341,137
Lease liabilities	15	133,897,973	116,515,197
Bank borrowings	16	218,850,211	246,683,750
Trade and other payables	17	17,066,820	--
Total Non-Current Liabilities		<u>383,995,871</u>	<u>377,540,084</u>
Current Liabilities			
Trade and other payables	17	129,801,902	142,539,060
Lease liabilities	15	6,253,374	21,888,555
Bank borrowings	16	315,080,613	298,560,898
Total Current Liabilities		<u>451,135,889</u>	<u>462,988,513</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>1,708,641,586</u>	<u>1,739,742,161</u>

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

These condensed consolidated interim financial statements were approved for issue on behalf
of the Board of Directors on 12 August 2021


Sheikh Mohamed Bin Hamad Saif Al Sharqi
(Chairman)


Board Member

FUJAIRAH CEMENT INDUSTRIES P.J.S.C

Condensed Consolidated Interim Statement of Comprehensive Income
For the Six Months Period Ended 30 June 2021 (Unaudited)

EXHIBIT B

	Note	Six months period ended		Three months period ended	
		30 June 2021 AED	30 June 2020 AED	30 June 2021 AED	30 June 2020 AED
Revenue	18	217,480,076	230,798,338	90,787,668	86,726,071
Cost of revenue		(194,970,650)	(207,503,744)	(91,281,091)	(75,584,144)
Gross profit/(loss)		22,509,426	23,294,594	(493,423)	11,141,927
Other income		906,585	1,139,329	319,855	241,099
Selling and distribution expenses		(30,260,736)	(28,525,558)	(11,632,567)	(11,714,556)
General administrative expenses		(6,393,544)	(5,706,059)	(3,196,953)	(2,692,827)
Finance cost - bank borrowings		(10,338,669)	(16,113,814)	(5,077,798)	(7,717,078)
Finance cost - lease liabilities		(2,126,800)	(2,239,683)	(1,040,316)	(1,098,247)
Loss for the Period - Exhibit D		(25,703,738)	(28,151,191)	(21,121,202)	(11,839,682)
Other comprehensive income		--	--	--	--
Total Comprehensive loss for the period - Exhibit B		(25,703,738)	(28,151,191)	(21,121,202)	(11,839,682)
Basic loss per share	19	(0.072)	(0.079)	(0.059)	(0.033)

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

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
 Condensed Consolidated Interim Statement of Changes in Equity
 For the Six Months Period Ended 30 June 2021 (Unaudited)

EXHIBIT C

	<u>Share capital</u> AED	<u>Statutory reserve</u> AED	<u>Voluntary reserve</u> AED	<u>Retained earnings</u> AED	<u>Total</u> AED
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 six months period ended 30 June 2020 – Exhibit B	--	--	--	(28,151,191)	(28,151,191)
Balance at 30 June 2020 (Unaudited)	355,865,320	161,750,412	222,536,002	261,411,476	1,001,563,210
Balance at 1 January 2021 (Audited)	355,865,320	161,750,412	222,536,002	159,061,830	899,213,564
Total comprehensive loss for the six months period ended 30 June 2021 – Exhibit B	--	--	--	(25,703,738)	(25,703,738)
Balance at 30 June 2021 (Unaudited) – Exhibit A	355,865,320	161,750,412	222,536,002	133,358,092	873,509,826

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

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Condensed Consolidated Interim Statement of Cash Flows
For the Six Months Period Ended 30 June 2021 (Unaudited)

EXHIBIT D

	Six Months Period Ended	
	30 June 2021	30 June 2020
	AED	AED
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - Exhibit B	(25,703,738)	(28,151,191)
Adjustments for:		
Depreciation of property, plant and equipment	27,053,729	26,774,512
Depreciation of right-of-use assets	4,744,518	4,744,517
Gain on sale of property, plant and equipment	--	(62,999)
Employees end of service benefits	553,005	578,706
Finance cost - lease liabilities	2,126,800	2,239,683
Finance cost - bank borrowings	10,338,669	16,113,814
Operating cash flows before changes in operating assets and liabilities	19,112,983	22,237,042
Increase in inventories	(30,763,775)	(46,577,622)
Decrease in trade receivables	46,944,935	2,432,391
Increase in advances and other receivables	(8,388,888)	(7,919,504)
Increase in trade and other payables	4,545,911	35,788,132
Settlements of employees' end of service benefits	(713,275)	(341,519)
Net Cash Provided by Operating Activities	30,737,891	5,618,920
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,925,785)	(18,520,453)
Proceeds from sale of property, plant and equipment	--	63,000
Net Cash Used in Investing Activities	(8,925,785)	(18,457,453)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(379,205)	--
Repayments of bank borrowings	(53,083,539)	(25,723,996)
Proceeds from other bank borrowings, net	41,769,715	15,204,125
Finance cost paid on bank borrowings	(10,554,918)	(14,353,933)
Net Cash Used in Financing Activities	(22,247,947)	(24,873,804)
Net decrease in cash and cash equivalents	(435,841)	(37,712,337)
Cash and cash equivalents at the beginning of the period	1,256,558	40,953,785
Cash and Cash Equivalents at the end of the Period - Note 20	820,717	3,241,448

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

FUJAIRAH CEMENT INDUSTRIES P.J.S.C

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

1. STATUS AND ACTIVITIES

Fujairah Cement Industries P.J.S.C – Fujairah (hereinafter referred to as 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 and its subsidiary (collectively referred to as the “**Group**”) are clinkers and hydraulic cement manufacturers and Ready Mixed Concrete Manufacturing.

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

2. NEW AND REVISED STANDARDS ADOPTED

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the condensed consolidated interim financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The condensed consolidated interim financial statements for the six months period ended 30 June 2021 have been prepared in accordance with International Accounting Standard No. 34, “Interim Financial Reporting” and also comply with the Federal Law No. 2 of 2015 and applicable requirements of the laws in the UAE.

Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

Condensed consolidated 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 for the year ended 31 December 2020. In addition, results for the Six months period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2021.

3.2 Basis of measurement

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

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

FUJAIRAH CEMENT INDUSTRIES P.J.S.C

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

3. BASIS OF PREPARATION (CONTINUED)

3.3 Use of estimates, assumptions and judgement

The preparation of these condensed consolidated 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 consolidated 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 2020.

The corona virus (COVID-19) had spread across several regions globally, including the United Arab Emirates and on March 2020, the World Health Organization (WHO) officially declared COVID-19 as a global pandemic. This impacted the global economy and business sectors and adversely affected the demand and selling prices for the Group's products as at 30 June 2021. The Group's management is closely monitoring the situation and has taken the necessary measures to address the situation in general. The extent and duration of these effects is not specific and depends on future developments that cannot be accurately predicted at this time.

3.4 Financial risk management

The Group's financial risk management objective and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020.

3.5 Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the parent company and entity controlled by the Company (its subsidiary). Control is achieved when :

- The Group has power over the investee.
- The Group is exposed, or has rights, to variable returns from its involvement with the investee.
- The Group has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights

FUJAIRAH CEMENT INDUSTRIES P.J.S.C

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

3. BASIS OF PREPARATION (CONTINUED)

3.5 Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the period is included in the condensed consolidated interim statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the equity holders of the parent company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intragroup balances and income, equity and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group ownership interests in subsidiaries that do not result in the Group losing control over subsidiaries are accounted for as equity transactions. The carrying amounts of the Group interests and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

The details of the subsidiary is as follows :

<u>Entity</u>	<u>% of ownership</u>		<u>Principal activities</u>	<u>Country of incorporation</u>
	<u>30 June 2021</u>	<u>31 December 2020</u>		
Fujairah Cement Industries PJSC FZE*	100	--	Ready mixed Concrete Manufacturing	UAE

* The Establishment has not yet started operation. It is under construction stage.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Company's audited annual financial statements for the year ended 31 December 2020.

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 consolidated interim financial statements.

FUJAIRAH CEMENT INDUSTRIES P.J.S.C

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, plant 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
Vehicles and mobile plant	4
Tools and equipment	2 – 4
Quarry development cost	6 – 20

No depreciation is charged on land and capital work-in-progress. The depreciation charge for each period is recognized in the condensed consolidated 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's 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, plant and equipment (calculated as the difference between the net disposal proceeds, and the carrying amount of the asset) is recognized in the condensed consolidated 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 Group'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 Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

5. PROPERTY, PLANT AND EQUIPMENT

a) The details of this item are as follows :

Cost :	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
Balance at 1 January 2020	--	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 year	--	147,800	17,913,034	235,478	2,358,200	68,970	--	5,644,600	26,368,082
Disposals during the year	--	--	--	--	(4,232,958)	--	--	--	(4,232,958)
Transfers	250,000	1,039,524	474,833	--	--	--	--	(1,764,357)	--
Balance at 31 December 2020	250,000	159,999,436	2,024,162,457	3,766,744	27,032,732	13,181,407	31,949,125	5,800,586	2,266,142,487
Additions during the period	--	--	5,650,094	36,395	--	41,613	--	3,197,683	8,925,785
Transfers	--	--	--	489,048	--	--	--	(489,048)	--
Balance at 30 June 2021	250,000	159,999,436	2,029,812,551	4,292,187	27,032,732	13,223,020	31,949,125	8,509,221	2,275,068,272
Accumulated Depreciation :									
Balance at 1 January 2020	--	44,377,488	944,490,380	3,177,442	25,925,284	12,775,637	23,973,041	--	1,054,719,272
Charged during the year	--	4,849,565	46,139,380	210,807	1,348,487	193,477	926,081	--	53,667,797
Disposals during the year	--	--	--	--	(4,232,905)	--	--	--	(4,232,905)
Balance at 31 December 2020	--	49,227,053	990,629,760	3,388,249	23,040,866	12,969,114	24,899,122	--	1,104,154,164
Charged during the period	--	2,428,569	23,206,240	133,415	744,587	77,877	463,041	--	27,053,729
Balance at 30 June 2021	--	51,655,622	1,013,836,000	3,521,664	23,785,453	13,046,991	25,362,163	--	1,131,207,893
Net Book Value :									
At 30 June 2021 - Exhibit A (Unaudited)	250,000	108,343,814	1,015,976,551	770,523	3,247,279	176,029	6,586,962	8,509,221	1,143,860,379
At 31 December 2020 - Exhibit A (Audited)	250,000	110,772,383	1,033,532,697	378,495	3,991,866	212,293	7,050,003	5,800,586	1,161,988,323

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- b) Part of the factory buildings, plant and machinery are constructed/erected on land obtained on lease from the Government of Fujairah.
- c) 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).
- d) Insurance policy covering movable assets are assigned in favor of a bank against a term loan (Note 16).
- e) Commercial mortgage over thermal power plant, assignment of insurance policies covering the cement factory and thermal power plant 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).
- f) Depreciation is fully charged to cost of revenue.
- g) Cost of fully depreciated property, plant and equipment that are still in use , at the end of the reporting period , amounted to AED. 352,524,025 (31.12.2020 : AED. 351,845,031).
- h) Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 16).

6. RIGHT-OF-USE ASSETS

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

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Cost :		
At 1 January	132,403,222	132,403,222
Balance at end of the period/year	132,403,222	132,403,222
Accumulated Depreciation :		
At 1 January	18,978,069	9,489,034
Charged for the period/year	4,744,518	9,489,035
Balance at end of the period/year	23,722,587	18,978,069
Net book value for the period/year – Exhibit A	108,680,635	113,425,153

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

7. INVENTORIES

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Raw Materials	18,352,465	20,126,092
Semi-finished products	75,088,876	48,811,461
Finished products	2,700,986	2,553,490
Total	96,142,327	71,491,043
Spare parts	126,471,943	127,927,731
Allowance for slow-moving spare parts	(20,702,113)	(20,702,113)
Net Amount	105,769,830	107,225,618
Buring media	89,061,566	81,117,905
Bags and packing material	779,608	693,553
Total	89,841,174	81,811,458
Goods-in-transit	21,585,920	22,047,357
Total – Exhibit A	313,339,251	282,575,476

8. TRADE RECEIVABLES

a) This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Trade receivables	154,167,024	201,111,959
Provision for impairment of trade receivables	(26,552,172)	(26,552,172)
Net amount – Exhibit A	127,614,852	174,559,787
Coverage :		
Trade receivables against BG and L/C's	58,452,563	99,896,730
Trade receivables	95,714,461	101,215,229
Total	154,167,024	201,111,959

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

FUJAIRAH CEMENT INDUSTRIES P.J.S.C
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Period Ended 30 June 2021

9. ADVANCES AND OTHER RECEIVABLES

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Advances to suppliers	3,173,708	3,558,153
Prepayments	7,681,241	636,379
Other receivables	3,470,803	1,742,332
Total - Exhibit A	14,325,752	5,936,864

10. CASH AND BANK BALANCES

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Cash in hand	164,073	153,463
Bank balances - Current accounts	656,644	1,103,095
Total – Exhibit A	820,717	1,256,558

11. SHARE CAPITAL

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (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 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Balance at the end of the period/year - Exhibit A	161,750,412	161,750,412

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 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 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Balance at the end of the period/year - Exhibit A	222,536,002	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

The details of the movements in this item during the year period/year are as follows :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Balance at the beginning of the period/year	14,341,137	14,220,332
Charge for the period/year	553,005	1,150,049
Settlements during the period/year	(713,275)	(1,029,244)
Balance at the end of the period/year - Exhibit A	14,180,867	14,341,137

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15. LEASE LIABILITIES

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

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Balance at the beginning of the period/year	138,403,752	133,986,020
Lease liabilities for the period/year	2,126,800	4,417,732
Paid during the period/year	(379,205)	--
Balance at the end of the period/year	140,151,347	138,403,752
Non-Current -Exhibit A	133,897,973	116,515,197
Current -Exhibit A	6,253,374	21,888,555
Total	140,151,347	138,403,752

16. BANK BORROWINGS

a) Term bank loans

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Balance at the beginning of the period/year	342,850,828	379,133,032
Received during the period/year	--	40,000,000
Repaid during the period/year	(53,083,539)	(76,282,204)
Balance at the end of the period/year	289,767,289	342,850,828
Non-Current portion –Note 16(c)(i)	218,850,211	246,683,750
Current portion – Note 16(c)(ii)	70,917,078	96,167,078
Total	289,767,289	342,850,828

b) Other bank borrowings

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Trust receipts	153,701,206	125,669,135
Short terms loans	75,000,000	50,000,000
Overdrafts	15,462,329	26,724,685
Total - Note 16(c)(ii)	244,163,535	202,393,820

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16. BANK BORROWINGS (CONTINUED)

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

i) Non-current portion

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
In the second year	60,042,078	55,667,078
In the third to fifth year	147,999,594	169,399,594
After five year	10,808,539	21,617,078
Total – Exhibit A	218,850,211	246,683,750

ii) Current portion

This item consists of the following :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Current portion of term bank loans - Note 16(a)	70,917,078	96,167,078
Other bank borrowings – Note 16(b)	244,163,535	202,393,820
Total - Exhibit A	315,080,613	298,560,898
Total Bank borrowings [a + b]	533,930,824	545,244,648

iii) Bank borrowings are secured by:

- Registered charge over Thermal Power Plant (including machinery).
- Registered chattel mortgage over the Waste Heat Recovery based captive power plant expansion project. (existing and future assets being created/bought)
- Assignment of insurance policy for AED. 437.4 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.
- 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 :

	30 June 2021 (Unaudited) AED	31 December 2020 (Audited) AED
Trade payables	111,467,456	117,074,736
Dividends payable	3,972,703	3,972,703
Advanced received from customers	290,227	2,110,375
Accrued expenses	28,599,841	16,598,895
Accrued interest payables	2,225,943	2,442,192
Others	312,552	340,159
Total	146,868,722	142,539,060
Non-Current – Exhibit A	17,066,820	--
Current – Exhibit A	129,801,902	142,539,060
Total	146,868,722	142,539,060

18. REVENUE

This items consists of the following :

	Six months period ended		Three months period ended	
	30 June 2021 (Unaudited) AED	30 June 2020 (Unaudited) AED	30 June 2021 (Unaudited) AED	30 June 2020 (Unaudited) AED
Geographical markets of sales :				
Within UAE	59,143,029	121,278,082	23,133,698	44,730,982
Outside - UAE - GCC	44,047,224	76,888,377	6,570,409	30,428,082
Others	114,289,823	32,631,879	61,083,561	11,567,007
Total – Exhibit B	217,480,076	230,798,338	90,787,668	86,726,071

19. BASIC LOSS PER SHARE

This items consists of the following :

	Six months period ended		Three months period ended	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Loss for the period (AED)	(25,703,738)	(28,151,191)	(21,121,202)	(11,839,682)
Number of shares (Share)	355,865,320	355,865,320	355,865,320	355,865,320
Basic loss per share (AED per share) – Exhibit B	(0.072)	(0.079)	(0.059)	(0.033)

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20. CASH AND CASH EQUIVALENTS

At 30 June 2021 and 2020 “cash and cash equivalents” included in the condensed consolidated interim statement of cash flows (Exhibit D) comprise the following items :

	<u>Six months period ended</u>	
	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>30 June 2020</u> <u>(Unaudited)</u> AED
Cash in hand	164,073	140,441
Bank balances -Current accounts	656,644	3,101,007
Total - Exhibit D	820,717	3,241,448

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>31 December 2020</u> <u>(Audited)</u> AED
Balances due from related parties (included in trade receivables)	1,577,346	1,849,546
Balances due to related parties (included in trade and other payables)	26,378	29,797

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

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>30 June 2020</u> <u>(Unaudited)</u> AED	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>30 June 2020</u> <u>(Unaudited)</u> AED
Sales	1,385,278	2,208,510	509,184	1,015,402
Construction of property, plant and equipment	556,763	666,475	168,525	--
Purchases / Services Contracts	499,931	967,054	242,581	928,280

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

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>30 June 2020</u> <u>(Unaudited)</u> AED	<u>30 June 2021</u> <u>(Unaudited)</u> AED	<u>30 June 2020</u> <u>(Unaudited)</u> AED
Key management salaries and other benefits	2,071,724	1,844,750	1,060,796	798,366

Remuneration to the Board of Directors for the year 2020, approved in the Annual General Meeting held on 25 March 2021 amounts to AED. Nil (2019 : AED. Nil).

22. 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 Group's condensed consolidated interim financial statements as of the reporting date.

ii) Commitments

Commitments of the Group at the condensed consolidated interim statement of financial position date are as follows :

	30 June 2021 <u>(Unaudited)</u> AED	31 December 2020 <u>(Audited)</u> AED
Commitments for the purchase of property, plant and equipment	15,907,289 =====	17,189,396 =====