Fujairah Building Industries P.J.S.C. and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

Sensitivity: Public (C4)

DIRECTORS' REPORT
for the year ended 31 December 2025

The Board of Directors has the pleasure in presenting the audited consolidated financial statements of Fujairah Building Industries P.J.S.C. ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2025.

Principal activities of the Group
The principal activities of the Group comprise manufacturing, marketing and distribution of rock wool insulation materials, concrete blocks, interlocks, kerbstones, and Terrazzo tiles, cutting, polishing, supply and installation of marble products, and extraction and processing of range of gabbro quarry materials.

Financial performance
The Group has achieved revenue of AED 254,842,630 from continuing operations for the year ended 31 December 2025 compared with AED 205,911,247 million from continuing operations for the previous year ended 31 December 2024.

The Group has achieved a net profit of AED 38,103,760 in 2025 compared to a net profit of AED 23,118,818 in 2024. This increase in net profit is mainly attributed to increase in gross profit due to an increase in average selling price and quantity sold within the current year, resulting in higher absorption of fixed cost of production. The management continues the process of reviewing the technical aspects of the production process as well as associated costs which have a significant impact on improving efficiency, increasing productivity, reducing costs and thus being able to maintain a healthy bottom line .

The total assets of the Group amounted to AED 395,359,553 as of 31 December 2025 compared to AED 372,296,646 as of 31 December 2024, while the total shareholders' equity is AED 296,150,972 as of 31 December 2025 compared to AED 282,737,132 as of 31 December 2024.

Despite local and regional market volatility and challenges and competition in the field of building materials industry during last few years, the Group has managed to contribute positively to the development and prosperity of the national economy and continued to strengthen its competitive position within the local and regional markets through maintaining high quality of its products and providing excellent customer service to clients. These factors have supported the Group's activities providing sustainability to its operations.

Going concern basis
The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2025.

Events after the period end
In the opinion of the Board of Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the reporting period and the date of this report, which is likely to affect, substantially the result of the operations of the Group for the year ended 31 December 2025.

Transactions with related parties
The consolidated financial statements disclose related party transactions and balances in note 28. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Independent Auditors
Ernst & Young Middle East (Sharjah Branch), Sharjah, United Arab Emirates, were appointed vide Annual General Meeting held on 20 March 2025 for conducting the independent audit for the fiscal year 2025. In the next Annual General Meeting, the shareholders will decide to appoint the independent auditors for the fiscal year 2026.

Acknowledgements
Finally to conclude, on behalf of the members of the Board of Directors, executive management and all employees of the Group, we would like to express our sincere thanks and gratefulness to His Highness Sheikh Hamad Bin Mohammed Al-Sharqi – Member of the Federal Supreme Council of the United Arab Emirates and Ruler of Fujairah and His Highness Sheikh Mohammed Bin Hamad Bin Mohammed Al-Sharqi – Crown Prince of Fujairah for their permanent support and full care of the various sectors in the Emirate.

We also like to extend our heartfelt thanks to His Highness Sheikh Saleh Bin Mohammad Al-Sharqi – Chairman of Department of Industry and Economy of Fujairah for his support to the Group's business and growth.

Our thanks are also extended to all our shareholders, various government departments, our bankers, customers, suppliers, executive managers, general managers, divisional managers and all staff and employees of the Group for their support, and assure to continue with innovative ventures which would further enable us to reap the benefits of the Group as it grows by leaps and bounds in the nation's concepts of modernity and development.

On behalf of the Board



…….
Ahmed Saeed Mohammed Alraqbani
Chairman

26 February 2026

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUJAIRAH BUILDING INDUSTRIES P.J.S.C

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fujairah Building Industries P.J.S.C ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of consolidated financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 17 February 2025.

Key Audit Matter

Key audit matter are those matter that, in our professional judgement, were of most significance in the audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUJAIRAH BUILDING INDUSTRIES P.J.S.C (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matter (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of goods	
Revenue is an important determinant of the Group's performance and profitability. Recognition of revenue from sale of goods arises upon transfer of control thereof to the customers which typically coincides with the delivery of such goods and arises from a higher number of transactions with varying delivery terms. Given its magnitude and the underlying inherent risk, we consider recognition of revenue in the appropriate period to be a key audit matter. Refer Note 3 for the revenue recognition policy and Note 4 for the disclosures on revenue recognised during the year ended 31 December 2025.	We performed the following procedures in relation to revenue recognition: 1. Read the Group's revenue recognition accounting policy and assessed whether it is in accordance with the requirements of IFRS Accounting Standards. 2. Obtained the Group's processes and underlying controls to recognise revenue, and performed walkthrough over the process and the design of those controls on a sample basis. 3. Performed analytical review procedures on the revenue to assess and examine the movements of revenue during the year. 4. On a sample basis, tested: • whether the revenue recognised were recorded in the correct period, • the post year-end sales to customers, • the post year-end sales returns made by customers, by agreeing the underlying contracts (including sales orders), delivery notes, invoices, bank statements, credit notes and other supporting documents, and assessed whether the revenue recognised was in accordance with the terms agreed and in accordance with the requirements of IFRS Accounting Standards. 5. Assessed that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS Accounting Standards.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUJAIRAH BUILDING INDUSTRIES P.J.S.C (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information
Other information consists of the information included in the Directors Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Decree Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUJAIRAH BUILDING INDUSTRIES P.J.S.C (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUJAIRAH BUILDING INDUSTRIES P.J.S.C (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

i. the Company has maintained proper books of account;

ii. we have obtained all the information we considered necessary for the purposes of our audit;

iii. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Decree Law No. (32) of 2021, as amended;

iv. the financial information included in the Board of Directors' report is consistent with the books of account of the Company;

v. investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 34 to the consolidated financial statements;

vi. note 28 reflects material related party transactions and the terms under which they were conducted;

vii. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2025, any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended or of its Memorandum of Association which would have a material impact on its activities or its consolidated financial position as at 31 December 2025; and

viii. note 6 reflects the social contributions made during the year ended 31 December 2025.

Ernst & Young Middle East (Sharjah Branch)

Anthony O'Sullivan
Registration No. 687

ERNST AND YOUNG MIDDLE EAST 5 EY P.O. Box:1350 Sharjah - UAE

26 February 2026

Sharjah, Unted Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Continuing operations			
Revenue	4	**254,842,630**	205,911,247
Cost of sales	5	**(150,812,360)**	(129,641,825)
GROSS PROFIT		**104,030,270**	76,269,422
Administrative and general expenses	6	**(23,137,714)**	(25,405,323)
Selling and distribution expenses	7	**(42,799,599)**	(28,297,924)
Other income	8	**947,919**	621,321
Operating profit		**39,040,876**	23,187,496
Finance costs	24	**(2,443,375)**	(2,667,305)
Finance income	10	**5,900,964**	5,161,522
Profit before tax from continuing operations		**42,498,465**	25,681,713
Income tax expense	11	**(4,393,705)**	(2,557,920)
Profit from continuing operations		**38,104,760**	23,123,793
Loss from discontinued operation	31	**(1,000)**	(4,975)
Profit for the year		**38,103,760**	23,118,818
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI - net change in fair value	13	**16,106,330**	(12,087,650)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**54,210,090**	11,031,168
Earnings per share			
Basic and diluted, profit for the year attributable to ordinary equity holders of the Company (in AED per share)	27	**0.28**	0.17
Basic and diluted, profit for the year from continuing operations attributable to ordinary equity holders of the Company (in AED per share)	27	**0.28**	0.17

The attached notes 1 to 36 form part of these consolidated financial statements.

Fujairah Building Industries P.J.S.C. and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	12	**102,994,218**	115,599,314
Long-term deposits and receivables	16	**494,334**	622,494
Investments carried at FVOCI	13	**64,172,197**	48,065,867
Total non-current assets		**167,660,749**	164,287,675
Current assets			
Inventories	14	**37,368,542**	43,450,094
Trade receivables	15	**52,463,130**	51,145,463
Advances, deposits and other receivables	16	**9,934,281**	7,604,038
Contract assets	17	**3,239,882**	2,157,344
Other financial assets	18	**104,000,000**	90,000,000
Cash and cash equivalents	19	**20,692,969**	13,652,032
Total current assets		**227,698,804**	208,008,971
TOTAL ASSETS		**395,359,553**	372,296,646
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**135,987,500**	135,987,500
Statutory reserve	21	**58,013,290**	54,202,914
Fair value reserve of investments carried at FVOCI	22	**58,286,828**	42,180,498
Retained earnings		**43,863,354**	50,366,220
Total equity		**296,150,972**	282,737,132
Non-current liabilities			
Lease liabilities	24	**30,190,735**	34,269,879
Employees' end of service benefits	25	**9,252,401**	9,344,195
		39,443,136	43,614,074
Current liabilities			
Current tax liabilities	11	**4,406,677**	2,557,920
Lease liabilities	24	**4,057,483**	3,802,716
Trade and other payables	26	**51,301,285**	39,584,804
Total current liabilities		**59,765,445**	45,945,440
Total liabilities		**99,208,581**	89,559,514
TOTAL EQUITY AND LIABILITIES		**395,359,553**	372,296,646

Chairman

Director

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital AED	*Statutory reserve AED*	*Fair value reserve of investments carried at FVOCI AED*	*Retained earnings AED*	*Total AED*
Balance as at 1 January 2024	135,987,500	50,992,621	54,268,148	71,253,945	312,502,214
Total comprehensive income for the year	-	-	(12,087,650)	23,118,818	11,031,168
Dividends (refer note 23)	-	-	-	(40,796,250)	(40,796,250)
Transfer to statutory reserve (refer note 21)	-	3,210,293	-	(3,210,293)	-
Balance at 31 December 2024	135,987,500	54,202,914	42,180,498	50,366,220	282,737,132
Total comprehensive income for the year	**-**	**-**	**16,106,330**	**38,103,760**	**54,210,090**
Dividends (refer note 23)	**-**	**-**	**-**	**(40,796,250)**	**(40,796,250)**
Transfer to statutory reserve (refer note 21)	**-**	**3,810,376**	**-**	**(3,810,376)**	**-**
Balance at 31 December 2025	**135,987,500**	**58,013,290**	**58,286,828**	**43,863,354**	**296,150,972**

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AED	2024 AED
OPERATING ACTIVITIES			
Profit before tax from continuing and discontinued operations		**42,497,465**	25,676,738
Adjustment for:			
Depreciation on property, plant and equipment (including right of use assets)	12	**24,200,165**	25,312,327
Interest expense on lease liabilities	24	**2,443,375**	2,667,305
(Reversal of provision)/ provision for expected credit loss on trade receivables	15	**(3,710,867)**	590,357
Write off trade receivables	15	**(102,533)**	-
(Reversal or provision)/ provision for slow-moving inventories	14	**(165,621)**	121,290
Provision for employees' end of service benefits	25	**1,136,272**	965,295
Interest income on short term deposits	10	**(4,006,116)**	(3,497,493)
Dividend income from investments carried at FVOCI	10	**(1,894,848)**	(1,271,332)
Loss on write-off of property, plant and equipment		-	1,009,739
		60,397,292	51,574,226
Changes in working capital:			
Inventories		**6,247,173**	6,377,703
Trade receivables		**2,495,733**	(1,947,257)
Advances, deposits and other receivables (including contract assets)		**(3,284,621)**	(521,566)
Trade and other payables		**11,716,481**	5,768,127
Employees' end-of-service benefits paid	25	**(1,228,066)**	(1,196,970)
Corporate tax paid	11	**(2,544,948)**	-
Net cash flows generated from operating activities		**73,799,044**	60,054,263
INVESTING ACTIVITIES			
Additions to property, plant, and equipment	12	**(11,595,069)**	(6,698,359)
Investment in fixed deposits		**(102,000,000)**	(85,000,000)
Proceeds from redemption of fixed deposits		**88,000,000**	68,000,000
Dividend received from investments carried at FVOCI	13	**1,894,848**	1,271,332
Interest received on short-term deposits	10	**4,006,116**	3,497,493
Net cash flows used in investing activities		**(19,694,105)**	(18,929,534)
FINANCING ACTIVITIES			
Payment of interest on lease liabilities	24	**(2,443,375)**	(2,667,305)
Payment of principal portion of lease liabilities	24	**(3,824,377)**	(3,761,757)
Dividends paid	23	**(40,796,250)**	(40,796,250)
Net cash flows used in financing activities		**(47,064,002)**	(47,225,312)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**7,040,937**	(6,100,583)
Cash and cash equivalents at the beginning of the year		**13,652,032**	19,752,615
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	**20,692,969**	13,652,032

The attached notes 1 to 36 form part of these consolidated financial statements.

1 CORPORATE INFORMATION

Fujairah Building Industries P.J.S.C. and its subsidiaries. ("the Company") was incorporated as an establishment in 1979 in the Emirate of Fujairah, United Arab Emirates ("UAE"). Subsequently, the legal status of the Company was changed to Public Joint Stock Company in 1991.

The registered address of the Company is P.O. Box 383, Fujairah, UAE. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange (Ticker: FBI). The Company is ultimately controlled by the Government of Fujairah ("the Government").

The consolidated financial statements as at and for the year ended 31 December 2025 include financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group"). Details of the Company's investment in subsidiaries are listed below:

Name of Subsidiary	*Country of incorporation*	*Ownership interest (%)*		*Principal activities*
		2025	*2024*	
Fujairah Concrete Products	UAE	**100%**	100%	Manufacturing and selling of concrete blocks, interlocks and kerbstones
Fujairah National Quarry	UAE	**100%**	100%	Manufacturing and selling of quarry products
Fujairah Marbles and Tiles Factory	UAE	**100%**	100%	Manufacturing and selling of marble and tiles and contracting for installation of marbles
Fujairah Rockwool Factory	UAE	**100%**	100%	Manufacturing and selling of rockwool products
Emirates Ceramics Factory (refer note 31)	UAE	**100%**	100%	Manufacturing and selling of ceramic tiles

The principal activities of the Group are manufacturing, marketing and distribution of rock wool insulation materials, concrete blocks, interlocks, kerbstones, and Terrazzo tiles, cutting, polishing, supply and installation of marble products, and extraction and processing of range of gabbro quarry materials.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2026.

2 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis except for investments carried at fair value through other comprehensive income ("FVOCI") which are measured at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

2 BASIS OF PREPARATION (continued)

Functional and presentation currency
The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is also the functional currency of the Company and its subsidiaries (the "Group")

Significant accounting judgements, estimates and assumptions
The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Information about significant accounting judgements, estimates and assumptions are described in note 33.

Changes in accounting policies and disclosures
The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2024, except as follows:

Standards, amendments and interpretations issued but not yet effective
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability – Amendments to IAS 21

These above amendment had no significant impact on the consolidated financial statements of the Group.

Standards, amendments and interpretations in issue but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, as at 31 December 2025 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026)
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)
- Sale or Contribution of Assets between an Investor and its Associate of Joint Venture – Amendments to IFRS 10 and IAS 28 (Effective period deferred indefinitely)

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information used in the preparation of these consolidated financial statements are set out below.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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 in assessing 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

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 listed above. 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 off during the period are included in the consolidated 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 attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 13 and note 30.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in consolidated statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of goods
Revenue from sale of goods is recognised at a point in time when the control of the goods is transferred to the customer, generally on shipping or delivery of the goods when persuasive evidence exists that the control passes from the Group to the customer, and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

Discounts are recognised as a reduction of revenue as the sales are recognised. For a sale that permits the customer to return an item, revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Accordingly, the amount of revenue recognised is adjusted for expected returns. The Group reviews its estimate of expected returns at each reporting date.

Timing of recognition
Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. For sale of goods, the Group's performance obligations are satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Principal versus agent consideration
The Group has generally concluded that it is operating as a principal as it is primarily responsible for providing specified goods and services and acceptability of such goods and services except as otherwise agreed between the parties. Further, it also controls the specified goods or services before it is transferred to customer and has the discretion on determination of the prices of such goods or services.

(b) Fit out / installation services
The Group provides fit-out / installation services mainly for marbles and tiles that are either sold separately or bundled together with the sale of marbles and tiles. The installation services do not significantly customise or modify the marbles and tiles.

Contracts for bundled sales of marbles and tiles and installation services are comprised of two performance obligations because the product and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the product and installation services.

The Group recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the installation services.

Contract balances
Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is initially recognised for revenue earned from fit-out / installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. The amounts recognised are adjusted for any expected credit loss allowance using the probability of default of the counter party.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contracts with customers (continued)

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer)

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Finance income and costs
Finance income comprises interest income on short-term deposits and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in the consolidated statement of profit or loss on the date on which the Group's right to receive payment is established.

Finance costs comprises interest expense on lease liabilities and are recognised as it accrues using the effective interest method.

Value added tax
Revenue, expenses and assets are recognised net of the amount of value added tax (VAT), except:

- When the VAT incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Taxes
Corporate tax expense comprises current income tax and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in consolidated statement of changes in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company has elected to form a Tax Group with the below subsidiaries, collectively referred to as "Tax Group":

- Fujairah Building Industries PJSC
- Fujairah Rockwool Factory
- Fujairah Concrete Products
- Fujairah Marbles and Tiles Factory

Fujairah National Quarry ("FNQ") meets the extractive business criteria and is thus exempt from the UAE corporate tax. Since it is an exempt entity, it is not part of the tax group.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxes (continued)

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Foreign currencies
Transactions in foreign currencies are initially recorded at the spot rates at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the following:

- cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- capitalised borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows

Asset	*Estimated useful life (in years)*
Leasehold land	13 - 15
Buildings and leasehold improvements	5 - 15
Plant and equipment	5 - 15
Heavy equipment and vehicles	4 - 15
Furniture and fixtures	2 - 5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit of loss in the year the asset is derecognised.

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready to use.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate

Inventories
Inventories are measured at the lower of cost and net realisable value after making due allowance for any obsolete and slow moving items. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employees' end of service benefits

End of service benefits
The entitlement to the employee benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment as per the labour laws.

Pension and social security policy
The Group participates in the national pension scheme operated by the Federal Pension General and Social Security Authority of United Arab Emirates in accordance with the provisions of Federal Law No. (7) of 1999 relating to Pension and Social Security Law. On 2 October 2023, Federal Decree Law No. (57) of 2023 came into effect which is applicable to the employees joining the labor market for the first time as of the effective date, provided that current subscribers will continue to be covered under the provisions of the Pension and Social Security Law No. (7) of 1999, even if the employee has joined a new employer after the effective date.

Under this law the employers are required to contribute 12.5% or 15% of the 'contribution calculation salary' based on the salary bracket of those employees who are UAE nationals. The Group's contribution is recognized as an expense in profit or loss as incurred. The Group has no legal or constructive obligation to pay any further contributions.

Financial instruments

(i) Recognition and initial measurement

Trade receivables, retention receivables and contract assets are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI – debt instruments, at FVOCI – equity instruments or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses

Non-derivative financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit or loss.

(iii) Modification

Financial assets
If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification (or exchange) does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

(iv) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not recognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated statement of profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

Impairment for financial assets

Non-derivative financial assets – Financial instruments and contract assets
The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, which are disclosed as part of trade receivables, retention receivables and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date: and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, retention receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when: – the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 360 days past due.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment for financial assets (continued)

Non-derivative financial assets – Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such realising security (if any is held).

Lifetime ECLs are the ECLs that result from default events that are possible over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or debtor;
- a breach of contract (such as a default);
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses are assessed for related trade and retention receivables, contract assets, cash at banks, refundable deposits and certain other receivables and are presented separately in the consolidated statement of profit or loss and comprehensive income.

Assets that are individually significant are tested individually whereas others are grouped together with financial assets of similar credit risk characteristics and assessed collectively.

Impairment loss is reversed if the reversal can be objectively related to an event that have occurred after the impairment loss was recognised. For financial assets that are measured at amortised cost, the reversal is recognised in consolidated statement of profit or loss.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For its customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment for non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit ("CGU"). All impairment losses are recognised in consolidated statement of profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Segment information
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer and Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance. Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office income and liabilities.

Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any material initial direct costs incurred and an estimate of material costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

Group as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets under 'property plant and equipment' and lease liabilities separately in the consolidated statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Earnings per share
The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Share capital
Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Bank balances and cash
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Dividend
The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the Company's Article of Association, a distribution is authorised when it is approved by the shareholders and in accordance with the rules, resolutions and circulations issued by the Securities and Commodities Authority.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents (unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period).

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Events after the reporting period
If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4 REVENUE

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025 ***AED***	*2024* *AED*
Type of revenue/ timing of revenue recognition		
Sale of goods - point in time	**248,480,133**	203,968,345
Fit out and installation services - over a period of time	**6,362,497**	1,942,902
	254,842,630	205,911,247
Major product / service line		
Rockwool products	**112,903,819**	93,721,427
Concrete products	**100,822,072**	91,039,159
Quarry products	**24,807,185**	10,411,700
Marbles and tiles	**9,947,057**	8,796,059
Fit out and installation services	**6,362,497**	1,942,902
	254,842,630	205,911,247
Geographical markets		
Within UAE	**242,475,951**	197,921,315
Outside UAE	**12,366,679**	7,989,932
	254,842,630	205,911,247

4.2 Contract balances

	2025 ***AED***	*2024* *AED*
Assets		
Trade receivables, net (note 15)	**52,463,130**	51,145,463
Contract assets (note 17)	**3,239,882**	2,157,344
Liability		
Advance from customers (note 26)	**5,789,386**	4,137,522

Set note 32 for reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

As at 31 December 2025, trade receivable includes amount due from related parties of AED 3,189,447 (2024 :AED 2,200,954) (note 28).

The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 30 to 180 days (2024: 30 to 180 days) from invoice.

5 COST OF SALES

	2025 *AED*	*2024* *AED*
Raw materials at the beginning of the year	**5,227,451**	6,360,030
Purchases during the year	**66,559,767**	52,700,029
Raw materials at the end of the year (refer note 14)	**(8,675,349)**	(5,227,451)
Raw materials consumed	**63,111,869**	53,832,608
Salaries and related benefits (note 9)	**18,829,708**	16,283,111
Depreciation on property, plant and equipment (including right of use assets) (refer note 12(iv))	**16,076,935**	16,776,916
Manufacturing overheads	**42,051,479**	39,242,566
(Reversal) / write-down of allowance for slow-moving inventories (refer note 14)	**(165,621)**	121,290
Cost of goods manufactured	**139,904,370**	126,256,491
Finished goods at the beginning of the year	**29,948,645**	33,333,979
Finished goods at the end of the year (refer note 14)	**(19,040,655)**	(29,948,645)
	150,812,360	129,641,825

6 ADMINISTRATIVE AND GENERAL EXPENSES

	2025 *AED*	*2024* *AED*
Salaries and related benefits (note 9)	**14,842,926**	13,172,493
Depreciation on property, plant and equipment (including right of use assets) (refer note 12(iv))	**3,726,315**	3,993,263
Board of Directors' remuneration (refer note 28)	**1,260,000**	1,260,000
License, visa and professional expense (refer note (i) below)	**2,604,932**	1,679,179
Repair and maintenance	**858,634**	567,909
Utilities	**1,099,013**	1,146,527
Social contribution (refer (ii) below)	**391,099**	261,738
Vehicle expense	**185,222**	179,397
Insurance	**176,940**	132,171
Provision for expected credit losses on receivables	**-**	590,357
Loss on write-off property, plant and equipment (refer note 12(iii))	**-**	1,009,739
Others (refer note (iii) below)	**1,703,500**	1,412,550
	26,848,581	25,405,323
Less:		
Reversal of provision for expected credit losses on receivables (note 15)	**(3,710,867)**	-
	23,137,714	25,405,323

(i) Professional expense includes statutory auditors' remuneration of AED 475,000 (2024: AED 415,000), internal auditors' remuneration of AED 260,000 (2024: Nil) and consultancy charges of AED 470,000 (2024: Nil).

(ii) This represents social contributions in the form of free of cost goods issued to 'Fujairah Foundation for Regional Development' for the development of local communities based in the Fujairah.

(iii) Other expenses mainly includes bank charges of AED 279,762 (2024: AED 186,747), recruitment expenses of AED 136,579 (2024: AED 78,562), miscellaneous office expenses AED 241,002 (2024: AED 166,325) and printing and stationary charges of AED 95,502 (2024 : AED 59,266).

7 SELLING AND DISTRIBUTION EXPENSES

	2025	*2024*
	AED	*AED*
Transport and vehicle expenses	**16,831,542**	9,580,844
Salaries and related benefits (note 9)	**10,956,883**	9,748,260
Depreciation on property, plant and equipment (including right of use assets) (refer note 12(iv))	**4,396,915**	4,542,148
Government fees on quarry sales (note 28)	**3,447,187**	1,207,782
Equipment hire charges	**3,286,678**	120,839
Advertisement and business promotion	**1,049,364**	850,590
Utilities	**627,620**	585,487
Legal, visa and professional expenses	**482,177**	367,682
Rent expense on short-term leases (refer note 24)	**261,037**	122,525
Insurance	**227,243**	219,535
Others	**1,232,953**	952,232
	42,799,599	28,297,924

8 OTHER INCOME

	2025	*2024*
	AED	*AED*
Insurance claims	**426,249**	3,198
Income from scrap sales	**244,832**	511,046
Miscellaneous income	**276,838**	107,077
	947,919	621,321

9 SALARIES AND RELATED BENEFITS

	2025	*2024*
	AED	*AED*
Cost of sales (note 5)	**18,829,708**	16,283,111
Administrative and general expenses (note 6)	**14,842,926**	13,172,493
Selling and distribution expenses (note 7)	**10,956,883**	9,748,260
	44,629,517	39,203,864

10 FINANCE INCOME

	2025	*2024*
	AED	*AED*
Interest income on deposits	**4,006,116**	3,890,190
Dividend income (note 13)	**1,894,848**	1,271,332
	5,900,964	5,161,522

11 TAXATION

The Group is subject to corporate tax in relation to its operations mainly in United Arab Emirates.

Current tax liability

	2025	*2024*
	AED	*AED*
At 1 January	**2,557,920**	-
Add: Tax provision for the year	**4,393,705**	2,557,920
Less: Tax paid during the year	**(2,544,948)**	**-**
	4,406,677	2,557,920

Income tax expense

Amounts recognised in the consolidated statement of profit or loss

	2025	*2024*
	AED	*AED*
Current tax expense	**4,393,705**	2,557,920

Following is the reconciliation of current income tax expense and accounting profit:

	2025	*2024*
	AED	*AED*
Profit before tax from continuing and discontinued operations	**42,497,465**	25,676,738

	2025	*2024*
	AED	*AED*
Tax using the Company's domestic tax rate at 9% (2024: 9%)	**3,824,772**	2,310,907
Tax effect of:		
- Share of loss from tax exempt entity (Fujairah National Quarry)	**753,258**	375,813
- Standard deduction as per Corporate tax law	**(33,750)**	(33,750)
- Dividend income from quoted investments	**(170,536)**	(114,420)
- Non-deductible expenses	**19,961**	19,370
Total corporate tax expense	**4,393,705**	2,557,920
Effective tax rate	**10.34%**	9.96%

UAE Domestic Minimum Top up tax (DMTT) and Pillar Two Anti-Global Base Erosion Rules

As of 31 December 2025, the Group is not in scope for UAE DMTT and Pillar Two.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land AED	*Buildings and leasehold improvements AED*	*Plant and machinery AED*	*Heavy equipment and vehicles AED*	*Furniture and fixtures AED*	*Capital work- in-progress AED*	*Total AED*
Cost:							
At 1 January 2025	61,523,549	132,598,597	305,455,344	52,001,354	11,417,828	1,441,953	564,438,625
Additions during the year	-	7,524	1,731,522	3,186,298	479,327	6,190,398	11,595,069
Disposals during the year	-	-	-	-	(70,575)	-	(70,575)
Transfers	-	141,859	5,949,506	122,001	158,029	(6,371,395)	-
At 31 December 2025	**61,523,549**	**132,747,980**	**313,136,372**	**55,309,653**	**11,984,609**	**1,260,956**	**575,963,119**
Accumulated depreciation:							
At 1 January 2025	27,490,406	103,924,001	262,260,545	45,938,662	9,225,697	-	448,839,311
Charge for the year (refer note (iv) below)	4,188,240	4,914,997	12,610,283	1,536,106	950,539	-	24,200,165
Disposals during the year	-	-	-	-	(70,575)	-	(70,575)
At 31 December 2025	**31,678,646**	**108,838,998**	**274,870,828**	**47,474,768**	**10,105,661**	**-**	**472,968,901**
Net carrying amount:							
At 31 December 2025	**29,844,903**	**23,908,982**	**38,265,544**	**7,834,885**	**1,878,948**	**1,260,956**	**102,994,218**

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land AED	*Buildings and leasehold improvements AED*	*Plant and machinery AED*	*Heavy equipment and vehicles AED*	*Furniture and fixtures AED*	*Capital work- in-progress AED*	*Total AED*
Cost:							
At 1 January 2024	61,523,549	132,337,567	335,345,282	58,918,872	17,504,152	5,520,323	611,149,745
Additions	-	261,030	1,615,414	3,114,856	829,957	877,102	6,698,359
Write-off (refer note (iii) below)	-	-	(36,269,150)	(10,032,374)	(7,107,955)	-	(53,409,479)
Transfers	-	-	4,763,798	-	191,674	(4,955,472)	-
At 31 December 2024	61,523,549	132,598,597	305,455,344	52,001,354	11,417,828	1,441,953	564,438,625
Accumulated depreciation:							
At 1 January 2024	23,302,166	98,532,409	284,570,109	54,400,721	15,121,319	-	475,926,724
Charge for the year (refer note (iv) below)	4,188,240	5,391,592	13,575,045	1,248,304	909,146	-	25,312,327
On write-off (refer note (iii) below)	-	-	(35,884,609)	(9,710,363)	(6,804,768)	-	(52,399,740)
At 31 December 2024	27,490,406	103,924,001	262,260,545	45,938,662	9,225,697	-	448,839,311
Net carrying amount:							
At 31 December 2024	34,033,143	28,674,596	43,194,799	6,062,692	2,192,131	1,441,953	115,599,314

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) Buildings are constructed on plots of land obtained on lease from the Government of Fujairah under a yearly contract, which is on a renewable basis (see note 24).

(ii) Capital-work-in-progress mainly comprises plant and machinery under installation (2024: installation of firefighting system).

(iii) During the previous year, based on the approval of the Board of Directors, management has written-off property, plant and equipment with a cost of AED 53,409,479 and accumulated depreciation of AED 52,399,740, resulting in a loss on write-off of AED 1,009,739 (refer note 6).

(iv) Depreciation

Depreciation for the year (including right of use assets) has been allocated as follows:

	2025 ***AED***	*2024* *AED*
Cost of sales (refer note 5)	**16,076,935**	16,776,916
Selling and distribution expenses (refer note 7)	**4,396,915**	4,542,148
Administrative and general expenses (refer note 6)	**3,726,315**	3,993,263
	24,200,165	25,312,327

(v) Right-of-use-assets

The Group has entered into a lease agreement for its factory and staff accommodation for a period of 13 - 15 years which is located in the UAE. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (note 3).

Right-of-use assets related to leased properties presented within property, plant and equipment are as follows:

	Leasehold land AED	*Buildings and leasehold improvements AED*	*Total AED*
2025			
At 1 January	**34,033,143**	**282,176**	**34,315,319**
Depreciation charge for the year	**(4,188,240)**	**(41,291)**	**(4,229,531)**
At 31 December	**29,844,903**	**240,885**	**30,085,788**
2024			
At 1 January	38,221,383	323,467	38,544,850
Depreciation charge for the year	(4,188,240)	(41,291)	(4,229,531)
At 31 December	34,033,143	282,176	34,315,319

Depreciation charge on the right of use assets is based on the lease terms of the respective leases and has been allocated to consolidated statement of profit or loss for the year as follows:

	2025 ***AED***	*2024* *AED*
Cost of sales	**1,445,926**	1,445,926
Selling and distribution expenses	**2,124,062**	2,124,062
Administrative and general expenses	**659,543**	659,543
	4,229,531	4,229,531

13 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	2025 ***AED***	*2024* *AED*
Investment in equity securities:		
- Quoted	**62,726,047**	46,491,080
- Unquoted	**1,446,150**	1,574,787
	64,172,197	48,065,867

Movement in investments carried at FVOCI is as follows:

	2025 ***AED***	*2024* *AED*
At 1 January	**48,065,867**	60,153,517
Change in fair value	**16,106,330**	(12,087,650)
At 31 December	**64,172,197**	48,065,867

(i) Classification of investment in equity securities at FVOCI:

The Group designated the above investments as equity securities carried at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

(ii) Dividend income

During the current year, dividend income of AED 1,894,848 (2024: AED 1,271,332) has been recognised in the consolidated statement of profit or loss from equity securities carried at FVOCI (note 10).

(iii) Measurement of fair values

Equity securities held by the Group are listed below:

	2025 ***AED***	*2024* *AED*
National Bank of Fujairah (a related party)	**62,724,844**	46,490,180
Fujairah Fresh Water Production Company (Private Joint Stock Company)	**1,360,150**	1,488,787
ESCAN	**86,000**	86,000
Oman & Emirates Investment Holding Co	**1,203**	900
	64,172,197	48,065,867

Information about the Group's exposure to market risk and fair value measurement is included in note 30.

14 INVENTORIES

	2025 *AED*	*2024* *AED*
Raw materials	**8,675,349**	5,227,451
Finished goods	**19,040,655**	29,948,645
Spare parts and consumables	**25,253,517**	24,040,598
	52,969,521	59,216,694
Less: provision for slow-moving inventories	**(15,600,979)**	(15,766,600)
	37,368,542	43,450,094

Movement in provision for slow-moving inventories is as follows:

	2025 *AED*	*2024* *AED*
At 1 January	**15,766,600**	15,645,310
(Reversal)/ provision for the year (refer note 5)	**(165,621)**	121,290
At 31 December	**15,600,979**	15,766,600

Provision for slow moving inventories mainly relates to the old stock of inventories which have been written down to their estimated net realisable value.

15 TRADE RECEIVABLES

	2025 *AED*	*2024* *AED*
Trade receivables	**67,302,559**	69,798,292
Less: provision for expected credit losses	**(14,839,429)**	(18,652,829)
	52,463,130	51,145,463

Movement in provision for expected credit losses is as follows:

	2025 *AED*	*2024* *AED*
At 1 January	**18,652,829**	18,062,472
Reversal of provision for the year (refer note 5)	**(3,710,867)**	-
Write off of receivables during the year	**(102,533)**	-
Provision for the year	**-**	590,357
At 31 December	**14,839,429**	18,652,829

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable.

As at 31 December 2025, trade receivable includes amount due from related parties of AED 3,189,447 (2024: AED 2,200,954) (note 28).

15 TRADE RECEIVABLES (continued)

Ageing analysis of gross trade receivables from invoice date is as follows:

	Trade receivables - days past due as at 31 December 2025						
	Not past due	***0 - 90 days***	***91 - 180 days***	***181 - 270 days***	***271- 360 days***	***More than 360 days***	***Total***
Gross receivables	**38,852,732**	**11,776,458**	**677,871**	**143,207**	**374,856**	**15,477,435**	**67,302,559**
Provision for expected credit loss	**(15,225)**	**(19,007)**	**(3,938)**	**(13,357)**	**(38,568)**	**(14,749,334)**	**(14,839,429)**
Net receivables	**38,837,507**	**11,757,451**	**673,933**	**129,850**	**336,288**	**728,101**	**52,463,130**
% of expected credit losses	**0.10%**	**0.13%**	**0.03%**	**0.09%**	**0.26%**	**99.39%**	**100.00%**

	Trade receivables - days past due as at 31 December 2024						
	Not past due	*0 - 90 days*	*91 - 180 days*	*181 - 270 days*	*271- 360 days*	*More than 360 days*	*Total*
Gross receivables	39,357,429	12,307,139	793,187	778,372	154,890	16,407,275	69,798,292
Provision for expected credit loss	(73,388)	(1,189,182)	(376,738)	(510,690)	(154,888)	(16,347,943)	(18,652,829)
Net receivables	39,284,041	11,117,957	416,449	267,682	2	59,332	51,145,463
% of expected credit losses	0.39%	6.38%	2.02%	2.74%	0.83%	87.64%	100.00%

The Group measures the impairment for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for the factors that are specific to the customers bank guarantees, and letters of credit provided, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

16 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	2025 AED	*2024 AED*
Prepayments *	**3,076,762**	2,990,140
Advances *	**3,674,053**	1,821,032
Interest receivables	**1,761,568**	1,869,175
Retention receivables	**1,339,751**	907,808
Refundable deposits	**543,867**	497,438
Other receivables	**32,614**	140,939
Total advances, deposits and other receivables (a)	**10,428,615**	8,226,532
Less: non-current portion		
Refundable deposits	**(494,334)**	(444,334)
Retention receivables	**-**	(178,160)
Non-current portion classified under long-term receivables (b)	**(494,334)**	(622,494)
Current portion of advances, deposits and other receivables (a) - (b)	**9,934,281**	7,604,038

* Represents non-financial assets

17 CONTRACT ASSETS

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on fit out and installation services. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Significant changes in the contract asset during the year are as follows:

	2025	*2024*
	AED	*AED*
At 1 January	**2,157,344**	2,289,249
Add: increases as a result of changes in the measure of progress	**6,923,280**	1,942,902
Less: transfers from contract assets to trade receivables	**(5,840,742)**	(2,074,807)
At 31 December	**3,239,882**	2,157,344

18 OTHER FINANCIAL ASSETS

	2025	*2024*
	AED	*AED*
Bank deposits with an original maturity of more than three months	**104,000,000**	90,000,000

As at 31 December 2025 and 31 December 2024, deposits placed with the bank bear commercial interest rates and have an original maturity of more than three months. These deposits have low credit risk as they are held with high credit rating international banking institution and there have been no history of default with the bank.

19 CASH AND CASH EQUIVALENTS

	2025	*2024*
	AED	*AED*
Cash in hand	**218,444**	256,787
Bank balances – *current accounts* (refer note (i) below)	**20,474,525**	13,395,245
	20,692,969	13,652,032

(i) Includes an amount of AED 20,454,188 (2024: AED 13,370,956) held with a related party bank.

20 SHARE CAPITAL

	2025	*2024*
	AED	*AED*
Authorised, issued and fully paid-up		
135,987,500 shares of AED 1 each	**135,987,500**	135,987,500

21 STATUTORY RESERVE

In accordance with UAE Federal Decree Law No. 32 of 2021, as amended, and the Company's Articles of Association, 10% of net profit for the year is required to be transferred to statutory reserve until the reserve reaches 50% of Company's paid-up share capital. The reserve is not available for distribution except as stipulated by the Law. During the current year, transfer of AED 3,810,376 (2024: AED 3,210,293) has been made to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

22 FAIR VALUE RESERVE OF INVESTMENTS CARRIED AT FVOCI

The fair value reserve comprises the cumulative net change in the fair value of investments in equity securities carried at FVOCI until the respective investment is derecognised.

23 DIVIDENDS

At the annual general meeting held on 20 March 2025, the shareholders approved a 30% cash dividend of AED 40,796,250 which has been paid during the year (i.e. United Arab Emirates ("UAE") Fils 30 per share).

At the annual general meeting held on 6 March 2024, the shareholders approved a 30% cash dividend of AED 40,796,250, which has been paid during the year (i.e. United Arab Emirates ("UAE") Fils 30 per share).

24 LEASE LIABILITIES

Leases as lessee
The Group leases plots of land and staff accommodation. Lease terms and rental calculations vary significantly between different lease agreements. The leases typically run for a period between 13 to 15 years.

The Group also leases office spaces with contract terms of one or less than one year. These leases are short-term in nature. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Lease liabilities included in the consolidated statement of financial position

	2025 ***AED***	*2024* *AED*
At 1 January	**38,072,595**	41,834,352
Add: interest on lease liabilities	**2,443,375**	2,667,305
Less: payment of interest on lease liabilities	**(2,443,375)**	(2,667,305)
Less: payment of principal portion of lease liabilities	**(3,824,377)**	(3,761,757)
At 31 December	**34,248,218**	38,072,595
Less: current portion of lease liabilities	**(4,057,483)**	(3,802,716)
Non-current portion of lease liabilities	**30,190,735**	34,269,879

24 LEASE LIABILITIES (continued)

Amounts recognised in the consolidated statement of profit or loss

	2025 ***AED***	*2024* *AED*
Interest on lease liabilities	**2,443,375**	2,667,305
Depreciation expense (refer note 12(v))	**4,229,531**	4,229,531
Rent expense on short-term leases (refer note 7)	**261,037**	122,525
	6,933,943	7,019,361

Amounts recognised in consolidated statement of cash flows

	2025 ***AED***	*2024* *AED*
Payment of interest on lease liabilities	**2,443,375**	2,667,305
Payment of principal portion of lease liabilities	**3,824,377**	3,761,757
	6,267,752	6,429,062

25 EMPLOYEES' END OF SERVICE BENEFITS

	2025 ***AED***	*2024* *AED*
At 1 January	**9,344,195**	9,575,870
Charge for the year	**1,136,272**	965,295
Payments made during the year	**(1,228,066)**	(1,196,970)
At 31 December	**9,252,401**	9,344,195

26 TRADE AND OTHER PAYABLES

	2025 ***AED***	*2024* *AED*
Trade payables	**39,863,585**	29,169,181
Accruals	**4,035,576**	5,273,859
Advances from customers *	**5,789,386**	4,137,522
Staff provisions	**1,510,775**	835,968
VAT payable*	**101,963**	168,274
At 31 December	**51,301,285**	39,584,804

* Represents non-financial liabilities

100% (2024: 100%) of these advances from customers are expected to be recognised as revenue in the next 12-months from the reporting date.

As at 31 December 2025, trade payable includes amount due to related parties of AED 61,644 (2024 : AED 31,432) (note 28).

27 EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted earnings per share calculations:

	2025 ***AED***	*2024* *AED*
Profit attributable to equity shareholders		
Continuing operations	**38,104,760**	23,123,793
Discontinued operations	**(1,000)**	(4,975)
Profit for the year	**38,103,760**	23,118,818
Weighted average number of shares	**135,987,500**	135,987,500
Earnings per share		
Basic and diluted earnings per share from continuing operations (AED per share)	**0.28**	0.17
Basic and diluted earnings per share from discontinued operations (AED per share)	**(0.00)**	(0.00)
Basic and diluted earnings per share for the year (AED per share)	**0.28**	0.17

There was no dilution effect on the basic earnings per share, as the Group does not have any such outstanding commitments as at the reporting date.

28 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with other business enterprises which fall within the definition of related parties as contained in IAS 24 Related Party Disclosures. Related parties comprise entities under common ownership and/or common management and control of the Company; affiliates and key management personnel.

Management approves prices and terms of payment for these transactions, and these are carried out at mutually agreed rates.

(a) Material transactions with related parties included in the consolidated statement of profit or loss and other comprehensive income are as follows:

The Group enters into transactions, with Government-owned entities. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing (interest on short-term deposits, bank charges, etc) and operational (government fees, power, utilities, etc) related activities, and entered in the normal course of business at commercial terms.

Material related party transactions during the year were as follows:

	2025	*2024*
	AED	*AED*
Income		
Sales	**7,714,275**	7,178,180
Dividend received (refer note 13)	**1,894,848**	1,271,332
Expense		
Purchases	**632,132**	815,954
Government fees on quarry sales (refer note 7)	**3,447,187**	1,207,782
Payments of lease rent to Government (refer note 24)	**6,267,752**	6,429,062
Others		
Short-term deposits placed	**102,000,000**	85,000,000
Redemption of short-term deposits	**88,000,000**	68,000,000

(b) Key management personnel compensation

Key management personnel compensation comprises the following:

	2025	*2024*
	AED	*AED*
Short-term benefits	**2,014,750**	1,800,000
Board of Directors' remuneration * (refer note 6)	**1,260,000**	1,260,000
Provision for staff terminal benefits	**158,886**	99,510
	3,433,636	3,159,510

* At the annual general meeting held on 20 March 2025, the shareholders approved the directors' remuneration amounting to AED 1,260,000 for the year ended 31 December 2024 and was paid during 2025. At the annual general meeting held on 6 March 2024, the shareholders approved the directors' remuneration amounting to AED 1,260,000 for the year ended 31 December 2023 and was paid during 2024.

The amounts disclosed in the table above relating to salaries and other short-term benefits and board remuneration are the amounts recognised as an expense during the period related to key management personnel.

28 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Balances with related parties included in the consolidated statement of financial position:

	2025 ***AED***	*2024* *AED*
Due from related parties (included in trade receivables) (note 15)		
Entities controlled by key management personnel		
Siji Ready Mix LLC	**177,497**	851,634
Build Right Construction LLC	**291,612**	374,024
Fujairah National Construction and Transport LLC	**1,221,028**	311,864
Decortech LLC	**158,052**	255,430
East Coast Contracting and Trading LLC	**1,341,258**	408,002
	3,189,447	2,200,954
Due to a related party (included in trade payables) (note 26)		
Entities controlled by key management personnel		
Fujairah National Advertising Company LLC	**17,855**	31,432
Al Shola Trans. & Const. Co. LLC	**43,789**	-
	61,644	31,432

The above related party balances are non-interest bearing and are repayable on demand. Outstanding balances at the period-end are unsecured, interest-free and settlement occurs generally in cash. There have been no guarantees provided or received for any related party payable or receivable. For the years ended 31 December 2025 and 2024, the Group has not recorded any provision for expected credit losses for amounts owed by the related party. This assessment is undertaken each reporting date through examining the financial position of the related parties and the market in which the related parties operate.

(d) Share capital

As at 31 December 2025, the shareholding includes 0.84% of shares in the Company held by the Board of Directors, amounting to AED 1,146,649, comprising 1,146,649 shares with a nominal value of AED 1 each issued at AED 1 per share (2024 : 0.84%, comprising 1,146,649 shares amounting to AED 1,146,649).

29 CONTINGENT LIABILITIES AND COMMITMENTS

	2025 ***AED***	*2024* *AED*
Letter of credit	**5,870,637**	1,023,049
Bank guarantees	**1,935,127**	1,650,126
Capital commitments	**4,295,993**	463,391

30 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Equity price risk

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities. The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management practices in others.

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Internal Audit Department. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

There were no significant changes to the Group's risk management framework during the year.

The Group's activities expose it primarily to credit risk, liquidity risk, interest rate risk, currency risk and equity price risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group gathers information about the credit worthiness of counterparties from publicly available financial information and its own trading records. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved periodically by the management.

30 FINANCIAL RISK MANAGEMENT (continued)

Credit risk management (continued)

Exposure to credit risk
The carrying amounts of the financial assets (net of impairment losses), represent the Group's maximum exposure to credit risks. The maximum exposure to credit risk at the reporting date was:

	2025 ***AED***	*2024* *AED*
Trade receivables (refer note 15)	**52,463,130**	51,145,463
Deposits and other receivables*	**3,677,800**	3,415,360
Contract assets (refer note 17)	**3,239,882**	2,157,344
Other financial assets (refer note 18)	**104,000,000**	90,000,000
Cash at banks (refer note 19)	**20,474,525**	13,395,245
	183,855,337	160,113,412

* excluding prepayments and advances

	2025 ***AED***	*2024* *AED*
U.A.E.	**50,728,248**	49,907,805
GCC region (excluding U.A.E.)	**1,734,882**	1,237,658
	52,463,130	51,145,463

The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from senior Group management. These limits are reviewed periodically.

In monitoring credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, industry, aging profile, maturity and evidence of previous financial difficulties.

Expected credit loss assessment
The Group uses an allowance matrix to measure the ECLs of trade receivables, retention receivables and contract assets. Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, retention receivables and contract assets:

	Weighted average loss rate %	***Gross AED***	***Provision for ECL's AED***
31 December 2025			
Current not past due	**0.0%**	**39,934,020**	**(15,225)**
0 - 90 days past due	**0.2%**	**11,998,875**	**(19,007)**
90 - 180 days past due	**0.5%**	**836,325**	**(3,938)**
More than 180 days past due	**77.4%**	**19,112,972**	**(14,801,259)**
At 31 December		**71,882,192**	**(14,839,429)**

30 FINANCIAL RISK MANAGEMENT (continued)

Credit risk management (continued)

Expected credit loss assessment (continued)

	Weighted average loss rate %	*Gross AED*	*Provision for ECL's AED*
31 December 2024			
Current not past due	0.2%	42,422,581	(73,388)
0 - 90 days past due	9.7%	12,307,139	(1,189,182)
90 - 180 days past due	47.5%	793,186	(376,737)
More than 180 days past due	98.1%	17,340,538	(17,013,522)
At 31 December		72,863,444	(18,652,829)

Balances with banks
Cash is held with banks, which are rated A+ to Baa1. ECLs on cash at bank and short-term deposits has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations, as the bank balances are held with the banks of repute.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, dealing with sound financial institutions and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2025:

	Carrying amount AED	***Contractual cash flows AED***	***Less than 1 year AED***	***1 to 5 years AED***	***5 years and above AED***
Non-derivative financial liabilities					
Trade and other payables*	45,409,936	(45,409,936)	(45,409,936)	-	-
Lease liabilities	34,248,218	(49,814,839)	(6,267,757)	(25,306,873)	(18,240,209)
	79,658,154	**(95,224,775)**	**(51,677,693)**	**(25,306,873)**	**(18,240,209)**

At 31 December 2024:

	Carrying amount AED	*Contractual cash flows AED*	*Less than 1 year AED*	*1 to 5 years AED*	*5 years and above AED*
Non-derivative financial liabilities					
Trade and other payables*	35,279,008	(35,279,008)	(35,279,008)	-	-
Lease liabilities	38,072,595	(57,417,216)	(6,245,094)	(31,516,490)	(19,655,632)
	73,351,603	(92,696,224)	(41,524,102)	(31,516,490)	(19,655,632)

* Excludes advances from customers and VAT payables.

30 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk
Interest rate risk is the risk that the fair value of the cash flows of a financial instrument will fluctuate as a result of the change in interest rate. At the reporting date, the Group is not exposed to interest rate risk as there are no variable interest rate bearing financial assets and liabilities.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group does not have any significant exposure to foreign currency risk as substantially most financial assets and financial liabilities are denominated in US Dollars or UAE Dirhams to which the US Dollars is currently pegged.

Equity price risk
Equity price risk arises from marketable equity securities measured at FVOCI. The management of the Group monitors the mix of equity securities in its investment portfolio to maximise investment returns, which is the primary goal of the Group's investment strategy.

The Group's quoted securities are susceptible to market price risk arising from uncertainties about the future values of the investment securities.

The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes.

Equity price risk - Sensitivity analysis
The Group's listed equity investment is listed on Abu Dhabi Stock Exchange ("ADX"). A 10% drop in price per share at the reporting date will lead to decrease in the fair value of this investment at the reporting date and would have resulted in a decrease in equity by AED 6,272,605 (2024: AED 4,649,108) and an equal change in the opposite direction would have resulted in an increase in equity by the same amount.

Capital management
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to the shareholders. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no significant changes in the Group's approach to capital management during the year.

30 FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial instruments

The Group measures fair values using the following fair value hierarchy as stated in note 2. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at 31 December 2025 and 2024, the fair value of the financial assets and liabilities are not materially different from their carrying amounts.

Valuation techniques and assumptions applied for the purposes of measuring fair value for the investments in equity securities carried at FVOCI

The fair values of investments in equity securities carried at FVOCI are determined using similar valuation techniques and assumptions as used in the consolidated financial statements for the year ended 31 December 2024.

The tables below show investments in equity securities carried at FVOCI measured at fair value at the end of the reporting periods, by the level in the fair value hierarchy into which the fair value measurement is categorised.

31 December 2025	***Level 1 AED***	***Level 2 AED***	***Level 3 AED***	***Total AED***
Investments in equity securities carried at FVOCI	**62,726,047**	**-**	**1,446,150**	**64,172,197**

31 December 2024	*Level 1 AED*	*Level 2 AED*	*Level 3 AED*	*Total AED*
Investments in equity securities carried at FVOCI	46,491,080	-	1,574,787	48,065,867

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. In the absence of active market, the investment's fair value is estimated by management on the basis of an analysis of the investee's financial position and results, risk profile and other unobservable factors.

Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. Changes in any of the assumptions used in the fair value model by 5% would not result in a significant change in fair value.

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI (Level 3):

	2025 AED	*2024 AED*
As at 1 January 2025	**1,574,787**	1,586,000
Remeasurement recognised in OCI	**(128,637)**	(11,213)
As at 31 December 2025	**1,446,150**	1,574,787

31 DISCONTINUED OPERATION

During 2015, to curtail losses incurred by a subsidiary, Emirates Ceramic Factory ("ECF"), the Board of Directors approved the closure of the subsidiary's plant operations. Accordingly, the management has classified operational results of the subsidiary separately as discontinued operation. Results of the discontinued operation are as follows:

Summary of financial performance

	2025 ***AED***	*2024* *AED*
Administrative and general expenses	**(1,000)**	(4,472)
Selling and distribution expenses	**-**	(503)
Loss for the year from discontinued operation	**(1,000)**	(4,975)

Summary of financial position

	2025 ***AED***	*2024* *AED*
Inventories (refer note below)	-	-
Cash at banks	**33,519**	35,417
Assets related to discontinued operation	**33,519**	35,417
Liabilities related to discontinued operation (other payables)	**(5,406)**	(6,301)
Net assets related to discontinued operation	**28,113**	29,116

Break-up of inventories is as set out below:

	2025 ***AED***	*2024* *AED*
Finished goods	**108,907**	108,907
Spare parts	**2,487,054**	2,487,054
	2,595,961	2,595,961
Less: write-down of inventories to net realisable value	**(2,595,961)**	(2,595,961)
Inventories relating to discontinued operation	-	-

Summary of cash flows

	2025 ***AED***	*2024* *AED*
Net cash used in operating activities	**(1,000)**	(490)
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net cash flows for the year	**(1,000)**	(490)

32 SEGMENT REPORTING

a. Basis for segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Manufacturing*	Manufacturing and supply of blocks, interlocks, kerbstones, ceramic tiles, rockwool insulation materials and marble and terrazzo tiles. Also includes contracting for supply and installation of marbles and terrazzo tiles.
Quarrying	Mining and sale of quarry products

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

* The entities under manufacturing segment are aggregated into a single operating segment after consideration of the nature of products and services, nature of the production processes, type or class of customer for their products and services, methods used to distribute their products or provide their services and the nature of the regulatory environment.

Integration between quarrying and manufacturing segments includes transfers of raw materials (quarry). Inter-segment pricing is determined on mutually agreed terms.

32 SEGMENT REPORTING (continued)

b. Information about segments

	2025			*2024*		
	Manufacturing AED	***Quarrying AED***	***Total AED***	*Manufacturing AED*	*Quarrying AED*	*Total AED*
External revenue	**230,035,445**	**24,807,185**	**254,842,630**	195,499,547	10,411,700	205,911,247
Intersegment revenue	**1,260**	**7,039,868**	**7,041,128**	1,982	7,583,052	7,585,034
Segment revenue	**230,036,705**	**31,847,053**	**261,883,758**	195,501,529	17,994,752	213,496,281
Cost of sales	**(118,338,600)**	**(23,550,172)**	**(141,888,772)**	(104,140,289)	(16,188,366)	(120,328,655)
Selling and distribution expenses	**(25,637,665)**	**(13,435,619)**	**(39,073,284)**	(21,076,873)	(2,678,903)	(23,755,776)
Administrative and general expenses	**(16,353,466)**	**(2,103,675)**	**(18,457,141)**	(18,257,134)	(2,339,527)	(20,596,661)
Other income	**706,944**	**327,961**	**1,034,905**	-	105,680	105,680
Finance income	**272,292**	**-**	**272,292**	3,141,715	-	3,141,715
Finance expenses	**(2,443,375)**	**-**	**(2,443,375)**	(2,667,305)	-	(2,667,305)
Depreciation and amortization	**(22,745,080)**	**(1,455,085)**	**(24,200,165)**	(24,242,991)	(1,069,336)	(25,312,327)
	(184,538,950)	**(40,216,590)**	**(224,755,540)**	(167,242,877)	(22,170,452)	(189,413,329)
Segment profit / (loss) before tax from continuing and discontinued operations	**45,497,755**	**(8,369,537)**	**37,128,218**	28,258,652	(4,175,700)	24,082,952
Segment total assets	**187,386,631**	**16,609,359**	**203,995,990**	223,798,897	21,400,471	245,199,368
Segment total liabilities	**72,263,215**	**19,978,896**	**92,242,111**	66,896,395	20,576,173	87,472,568

32 SEGMENT REPORTING (continued)

c. Reconciliations of information on segment to the amounts reported in the consolidated financial statements

	2025 ***AED***	*2024* *AED*
(i) Revenues		
Total revenue for segments	**261,883,758**	213,496,281
Elimination of inter-segment revenue	**(7,041,128)**	(7,585,034)
Revenue as included in the consolidated statement of profit or loss	**254,842,630**	205,911,247

	2025 ***AED***	*2024* *AED*
(ii) Profit before tax		
Total profit before tax for segments	**37,128,218**	24,082,952
Elimination of inter-segment profit	**-**	(198,317)
Elimination of discontinued operation (refer note 31)	**(1,000)**	(4,975)
Unallocated amounts	**5,370,247**	1,797,078
Consolidated profit before tax as included in the consolidated statement of profit or loss (continuing and discontinued operations)	**42,497,465**	25,676,738
(iii) Assets		
Total assets for segments	**203,995,990**	245,199,368
Other unallocated amounts	**191,363,563**	127,097,278
Consolidated total assets	**395,359,553**	372,296,646
(iv) Liabilities		
Total liabilities for segments	**92,242,111**	87,472,568
Other unallocated amounts	**6,966,470**	2,086,946
Consolidated total liabilities	**99,208,581**	89,559,514

(v) Other material items

	Reportable segment totals AED	*Unallocated amounts AED*	*Consolidated Totals AED*
2025			
Finance income	**272,292**	**5,628,672**	**5,900,964**
2024			
Finance income	3,141,715	2,019,807	5,161,522

33 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of investments
Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out in IFRS 9, and accordingly management is satisfied that its investments in securities are appropriately classified.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has adequate financial resources, to continue in business for the foreseeable future. Furthermore, the Board of Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 15.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Any differences between the amounts actually realised in future years and the amounts expected will be recognised in the consolidated statement of profit or loss.

Fair value of financial instruments
The management uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 30 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

34 PURCHASE OF SHARES

During the current year ended 31 December 2025, the Company has not purchased or invested in any shares (2024: Nil).

35 COMPARATIVES

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. Such reclassifications do not affect the previously reported consolidated statement of comprehensive income or equity.

36 SUBSEQUENT EVENTS

There has been no significant events subsequent to the reporting date and up to the date of authorisation of these consolidated financial statements, that would either require adjustments to the reported financial information or disclosures in the consolidated financial statements.