

# INTEGRATED REPORT

# 2025

FUJAIRAH BUILDING INDUSTRIES PJSC.

الفجيرة لصناعات البناء ش.م.ع

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# 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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ERNST & YOUNG – MIDDLE EAST
(SHARJAH BRANCH)
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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.<br><br>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.<br><br>Given its magnitude and the underlying inherent risk, we consider recognition of revenue in the appropriate period to be a key audit matter.<br><br>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:<br>1. Read the Group's revenue recognition accounting policy and assessed whether it is in accordance with the requirements of IFRS Accounting Standards.<br><br>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.<br><br>3. Performed analytical review procedures on the revenue to assess and examine the movements of revenue during the year.<br><br>4. On a sample basis, tested:<br>• whether the revenue recognised were recorded in the correct period,<br>• the post year-end sales to customers,<br>• the post year-end sales returns made by customers,<br><br>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.<br><br>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.

FUJAIRAH BUILDING INDUSTRIES PSC.

الفجيرة لصناعات البناء ش.م.ع

# Governance Report for The Year 2025

## Governance Implementation:

FBI adopted and applied corporate governance principles and standards in accordance with the federal law no 32 of 2021 concerning commercial companies and the authority's chairman' resolution n 3/R/M of 2020 regarding standards and implementation of corporate governance. This is showing the commitment of FBI and its BOD with the principles of corporate governance which contributes to more transparency and protection of shareholders rights.

In this regard, the company clarifies the following points:

- All members of the BOD are non-executives.
- Most of the members of the BOD are independent.
- All independent members have pledged to disclose any changes that may affect their independence.
- The BOD of the Company made a commitment to implement the corporate governance system in accordance with the authority's chairman' resolution n 3/R/M of 2020.

## Transactions of the members of the BOD and their relatives in company's shares during 2025:

The Board of Directors of Fujairah Building Industries has adopted several policies and procedures for the management of the company in light with the governance guide. The most important of which is the system governing the transactions of the BOD members and all insiders in the company's shares in accordance with the authority's chairman' resolution n 3/R/M of 2020, circulation No. 5 of 2009 issued by the ADX, which indicated that the market will suspend the trading of insiders in company's shares during the periods specified by SCA.

The objective of this policy is to maintain the company's reputation and to establish transparency as well as to enhance confidence among investors that members of the BOD and company's employees do not exploit any material information that has not been disclosed by applying all the legal requirements stipulated in the relevant regulations concerning insiders' trading in company's shares in order to avoid irregularities or violations in this regard.

Therefore, it has been decided that the members of the BOD of the Company and all insiders are not allowed to deal in person or through any other person in the Company's shares during the following periods:

- Ten working days before the announcement of any material information that may affect the price of the stock up or down unless the information is the result of sudden events.
- Fifteen days prior to the end of the quarterly, semi-annual or annual financial period until the disclosure of the financial statements.

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**And as per the above policy adopted by the BOD, all the members confirmed their commitment to the embargoes period.**

**As per the company's record and ADX emails, FBI' BOD member's and their families transaction and their ownership during 2024 was as follows:**

| Name | Total Selling during 2025 | Total Buying during 2025 | Total shares during 2025 |
|---|---|---|---|
| **Khalil Ibraheim Hassan** | 0 | **0** | **1,000,000** |
| **Jumah Salem Jassem Al Awani** | 0 | **0** | **146,649** |

**Board of Directors composition**

**a- statement of the current BOD:**

As per the Article (19) of the Fujairah Building Industries' MOA, which specified the number of members of the Board of Directors by seven members, the current Board consists of seven members, most of them are independent and non-executive. The current members of the Board of Directors were elected at the Company's AGM held on March 06, 2024 for a period of three years.

| Name | Designation | Category | | D.O.J | Experience, Qualifications, positions |
|---|---|---|---|---|---|
| Mr. Ahmed Saeed Alraqbani | Chairman | Non-Independent | Non executive | 2007 | MBA, bachelor's degree in civil engineering, Chairman of Fujairah Rock & Aggregate, NBF BOD member |
| Mr. Khalil Ibraheim hassan | Vice chairman | Independent | Non executive | 2015 | Master's degree in finance, DGM of Fujairah port, BOD member of Fujairah Rock and Aggregate company |
| Mr. Mohammed Ahmed Al Moathen | member | Independent | Non executive | 2016 | University Degree, Director of the Fujairah National Group, BOD member of Fujairah Rock and Aggregate company |
| Mr.Abdelqader Mohamed Abdulla | member | Non-Independent | Non executive | 1997 | University Degree, Businessman |
| Mr. Jumaa Salem Al Awaani | member | Non-Independent | Non executive | 1986 | University Degree, Fujairah Fresh water BOD member, Admin and Finance Manager of Fujairah DIE – Government of Fujairah |
| Mrs. Maryam Abdualla Al Matroshi | member | Independent | Non executive | 2024 | Deputy Manager of Financial Department - Fujairah Government |
| Mr.Sultan Mohmed Abdulla Alslami | member | Independent | Non executive | 2025 | Deputy Director of Customer Relations – National Bank of Fujairah |

**b- Female representation in the BOD in 2025:**

At the company's general assembly meeting on March 6, 2024, members of the Board of Directors were elected, including women element at a rate of 14.3%.

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**c- Remuneration of BOD members:**

As per the article N (171) of the federal law N 32 of 2021 concerning commercial companies and the article N (21) of the authority's chairman' resolution N (3/R/M) of 2020, the remuneration of the members of the BOD is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits. The Company may also pay expenses, fees, additional bonuses as monthly salary as decided by the Board of Directors to any of its members if this member works in any committee, makes special efforts, or additional work to serve the Company in addition to his regular duties as a member of the Board of Directors.

**d- 1- Total remuneration of the BOD for the year 2024:**

Total BOD remuneration for the year 2023 was AED 1.260 million.

**d- 2- Total proposed remuneration of the BOD for the year 2025:**

During the meeting, held on 26 FEB 2026 the BOD proposed to pay a total of AED 1.260 million. as remuneration for the members for the year 2025. This proposal shall be presented to the company's AGM for its consideration.

**d- 3- Detail of allowances of attending the committees for the year 2025:**

The BOD decided not to pay any allowances to attend the committee's meetings.

**e- Statement of BOD's meeting during 2024:**

| Meeting | First | Second | Third | Fourth |
|---|---|---|---|---|
| Name | 17 Feb. 2025 | 07 May 2025 | 07 Aug 2025 | 6 November 2025 |
| Ahmed Saeed Alraqbqni | ✔ | ✔ | ✔ | ✔ |
| Khalil Ebraheim Hassan | ✔ | ✔ | ✔ | ✔ |
| Mohamad Ahmad Almoathen | ✔ | ✔ | ✔ | × |
| Abdelqader M. Abdulla | ✔ | ✔ | ✔ | × |
| Jumaa Salem Alawani | ✔ | ✔ | ✔ | ✔ |
| Maryam Abdualla Al Matoshri | ✔ | ✔ | ✔ | × |
| Sultan Mohmed Abdulla Alslami | - | ✔ | ✔ | ✔ |

**f- BOD's tasks and function which were performed by executive management:**

BOD didn't authorize executive management to perform any of its functions or tasks during 2025.

The CEO performs in accordance with the responsibilities and authorities specified by the BOD.
He is responsible for the Company's management and the core matters related to business activities within the framework of the Company's operational plan.
- CEO maintains a coherent management of the company.
- CEO provides recommendations to the BOD on strategy development, business management and operations performance.
- CEO manages the company in line with the strategy, business plans and policies adopted by the BODs.

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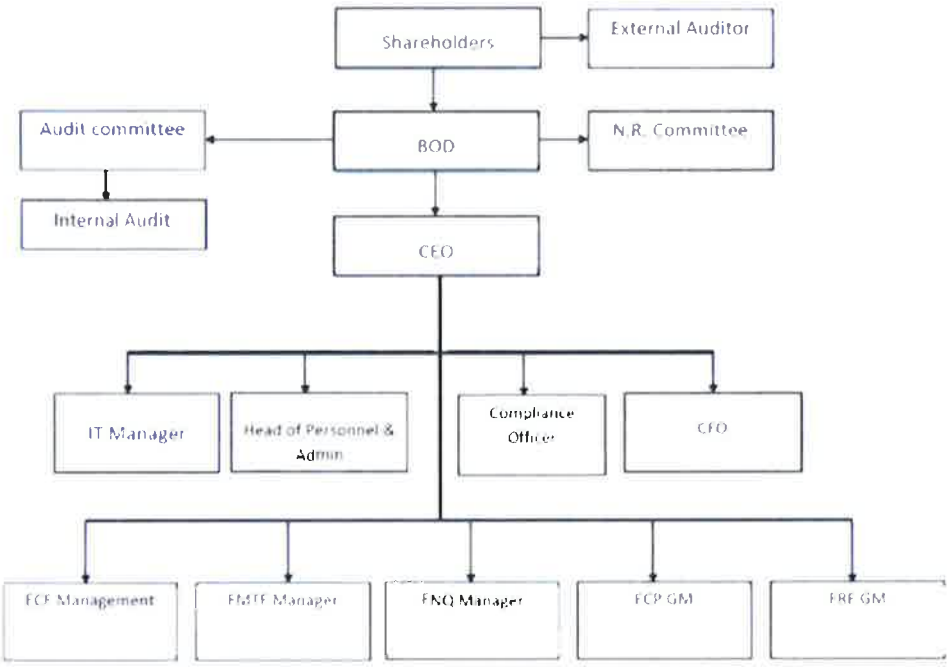
- CEO supervises operations and daily affairs, taking in consideration the matters in which the BOD reserves the right to make final decision.
- CEO ensures the consistency and integrity of the corporate culture and code of ethics.
- CEO periodically reviews the organizational structure of the company and propose the necessary amendments.
- CEO leads the management team in the day-to-day activities of the Company and reviews its performance.

**g- Details of the transaction made with the related parties (stakeholders):**

The Company deals with related parties either by selling or buying in a neutral manner at competitive prices like other unrelated parties. The terms of such transactions are consistent with normal trading processes where the parties operate independently, and each party looks after its self-interest with no pressure or preferential conditions by one party to the other. Related parties are those entities owned or managed by a member of the BOD.

During 2025, total sales to related parties reached an amount of AED 7,71 million and total purchases from related parties reached AED 696 thousand.

**h- Organizational structure of the company:**

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**i- Details of senior executives:**

| Designation | Date of joining | Total salaries & allowances paid in 2025 | Total bonuses paid in 2024 for the year 2025 | proposed bonus for 2025 |
|---|---|---|---|---|
| CEO | 03-Apr-23 | 1,320,000 | 132,000 | Not yet proposed |
| CFO | 25-Jul-23 | 480,000 | 40,000 | |
| IT Manager | 17-Dec-07 | 246,000 | 22,000 | |
| FCP General Manager | 1-Jan-11 | 492,000 | 87,750 | |
| FNQ Manager | 06-May-2024 | 305,733 | 29,000 | |
| FRF General Manager | 04-May-23 | 720,000 | 60,000 | |
| FMTF Manager | 23-Sep- 2024 | 360,000 | 3,750 | |

**External Auditor:**

**a -External Auditor details:**

EY is a management consulting and auditing firm established in the United Arab Emirates in 1966. It has offices in most emirates and has been operating in the Middle East & GCC for more than 100 years and has a qualified staff with extensive experience in auditing and management consulting

**Partner auditor:** Janardhan R

**b- External auditor fees:**

During the company AGM Held on 20 March 2025, EY was appointed as FBI's external auditor for the year 2025 with total fees of AED 475,000.

| | |
|---|---|
| External Auditor | KPMG |
| Number of years as the company's external auditor | 1 |
| Total audit Fees for 2025 (AED) | 475,000 |
| Fees for other services paid during 2025 | NIL |
| Details of the other services provided during 2025 | NIL |
| Services provided by another external auditor<br>*Provision of internal control over financial reporting (ICFR) and implementing the COSO internal control framework. | 470,000 |
| *MHA Consulting LLC (formerly MOORE STEPHENS Consulting LLC) - Total fees for internal audit engagements. | 260,000 |

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**c-There are no reservations included by the external auditor on the financial and interim statements for the year 2025.**

**Audit Committee**

**a- Names and functions of Audit Committee**

| | |
|---|---|
| **Mr. Khalil Ebraheim Hassan** | **chairman** |
| **Mr. Jumaa Salem Alawani** | **Member** |
| **Mrs. Maryam Abdualla Al Matoshri** | **Member** |

As mentioned in the article 61 of the authority's Chairman' s Resolution number 3 / R.M of 2020 the functions of Audit Committee are as follows:

- Review the Company's financial and accounting policies and procedures.
- Monitoring the integrity of the Company's financial statements and reports (annual, semi- annual, and quarterly) and review thereof as part of its normal work during the year.

- Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.
- Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.
- Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof.
- Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken;

- Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring his/her independence.

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- Meeting with the Company's auditor without attendance of any of the personnel of the Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.

- Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's board of Directors response thereto and provision of the facilities required for performing the auditor's job.

- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.

- Review and assessment of internal control and risk management systems in the Company.

- Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.

- Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.

- Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.

- Ensuring availability of the resources required for the internal control department and reviewing and monitoring the effectiveness of such department.

- Studying internal control reports and following up the implementation of corrective measures for the comments arising from such reports.

- Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.

- Monitoring the extent to which the Company complies with the code of conduct.



- Review of Related Party transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.
- Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.

- Submitting reports and recommendations to the Board of Directors concerning the above-mentioned issues as stipulated in this article.

- Considering any other issues determined by the Board of Directors.

**b- Audit Committee Meetings:**

| | First 17 Feb 2025 | Second 07 May 2025 | Third 08 Aug 2025 | Fourth 06 Nov 2025 |
|---|---|---|---|---|
| Khalil Ibraheim Hassan | ✔ | ✔ | ✔ | ✔ |
| Jumaa Salem Al Awaani | ✔ | ✔ | ✔ | ✔ |
| Maryam Abdualla Al Matoshri | ✔ | ✔ | ✔ | × |

**Nomination & Remuneration Committee:**

**a- Names and functions of Nomination and Remuneration Committee:**

| | |
|---|---|
| **Mr. Mohamad Ahmad Almoathen** | **chairman** |
| **Mr. Abdelqader M. Abdulla** | **Member** |
| **Mr. Sulatn Mohamed Addulla Asalami** | **Member** |

As per the article 59 of the Chairman Resolution number 3 / R.M of 2020 the duties of the Nomination and Remuneration Committee consist in the following:

- Setting a policy for nomination of the Board and executive management membership with the aim of varying between the two genders in the Board and encouraging female nominees through offering privileges and training and motivational programs and submitting a copy of such policy to the Authority and any amendments thereof.
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of this Decision.
- Constantly verifying independence of independent Board members.

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- Setting the policy for granting bonuses, privileges, incentives, and salaries to the Company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.
- Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member.
- Review the Board of Directors structure and submitting recommendations regarding the changes that may be made.
- Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof.
- Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis.

**b- Nomination and Remuneration Committee Meetings:**

| | First<br>19 Dec<br>2025 |
|---|---|
| **Mohamad Ahmad Almoathen** | ✔ |
| **Abdelqader M. Abdulla** | × |
| **Sulatn Mohamed Addulla Asalami** | ✔ |

**Insiders' Trading Follow-up Committee:**

The insiders' trading committee was formed By the BOD and its members are as follows:

| | |
|---|---|
| **Abdel Razzak Dajani** | **CEO** |
| **Mahmoud Jallad** | **Company Secretary** |

The main functions of the Committee are as follows:
- Supervising the update of the list of insiders.
- Follow-up transactions of insiders and their ownership in the company's shares.
- Keep notifying insiders about all rules and regulations related to corporate governance.
- Inform insiders about embargo periods of their trading in company's shares.

**Any other committees approved by the Board of Directors:**

There are no other committees approved by the BOD.

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FUJAIRAH BUILDING INDUSTRIES PSC.

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**Internal Control System:**

**a- BOD acknowledgment:**

The Board of Directors of the Company acknowledged its responsibility for the Company's internal control system and for verifying its effectiveness.

The Board of Directors of the Company has appointed an independent third party, MHA Consulting L.L.C (formerly Moore Stephens Consulting L.L.C) to perform an internal audit of the Company. MHA Consulting L.L.C's function as internal auditors is to examine the adequacy of the internal control procedures in operation and essentially focused on:

- Critical assessment of systems in operation and evaluation of overall efficiency and effectiveness of internal controls and procedures;
- Review of compliance of policies and procedures;
- Testing of identified key risks and suggested best practices to mitigate them

The capacity in which MHA Consulting L.L.C conducted its work is strictly restricted to the scope of work detailed in their engagement letter dated 13 June 2025 and subsequent novation agreement dated 19 January 2026.

**b- About the Internal Audit Company: :**

MHA Consulting L.L.C (formerly Moore Stephens Consulting L.L.C) is a management consulting and auditing firm established in the United Arab Emirates in 2005. It operates offices across most Emirates, offering a broad range of services including auditing, accounting, taxation, and comprehensive consulting. The company has earned a prestigious reputation as one of the leading professional accounting firms in the country, delivering integrated services suited to the modern business environment. It was appointed by the Board of Directors since 2025.

**- Shezad Lakdawala:**

Shezad Lakdawala is a Partner at MHA Consulting L.L.C, managing a team of 15. He is a Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants (AICPA) (USA), a Certified Fraud Examiner (CFE) from the Association of Certified Fraud Examiners (ACFE) (USA), a Fellow Member of Emirates Association for Accountants & Auditors, holds a bachelor's degree from California State University and has over 14 years of experience.

**C- How the Internal Auditor handles any significant issues in the company:**

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Part of the internal auditor's scope of work is to submit quarterly reports to the Audit Committee and BOD. Additionally, the internal auditor performs follow up procedures on previously reported issues. All internal audit reports are submitted to the Audit Committee and BOD after obtaining necessary clarifications from the Executive Management. 3 Internal audit Reports were submitted to the BOD during 2025.

MHA Consulting L.L.C assumes no liability or responsibility for any matters reported in this document that fall outside the scope of its work. This document is to be read in conjunction with MHA Consulting L.L.C's engagement letter and internal audit reports submitted to the Audit Committee and BOD.

**Statement of Violation and Fines:**

Fujairah Building Industries PJSC complies with all laws and regulations applied in the United Arab Emirates. During the fiscal year 2025, the Company has not been subjected to any penalties or restrictions either by the SCA or any other regulatory body.

**The company's contribution in the development of society and the preservation of the environment:**

**Environmental Policy:**

The company considers great importance to the preservation of the environment in all of its subsidiaries according to local standards under the supervision of Fujairah Municipality and the Ministry of Climate Change and Environment. The company has installed carbon emissions monitoring systems and industrial waste recycling line at Fujairah Rock Wool Factory, achieving an advanced level of compliance with environmental standards.

The company also worked on the treatment of dust emissions in Fujairah National Quarries by covering production lines, conveyor belts, dust suppression system, high-pressure water spraying, planting trees, installation of a CCTV system. And the company didn't make any direct cash contributions in this regard.

**Social Policy:** The company contributes to the development of the community through participation in sponsoring several events in the Emirate of Fujairah, as well as continuing cooperation with Fujairah Foundation for Region Development – FFRD which belongs to Government of Fujairah, where the company provides some products such as cement Block and pavers for repair and maintenance of houses of low-income UAE nationals in the Emirate of Fujairah. Fujairah Building Industries has made a training program for national graduates by providing them a training in various administrative and technical fields in order to gain practical experience.

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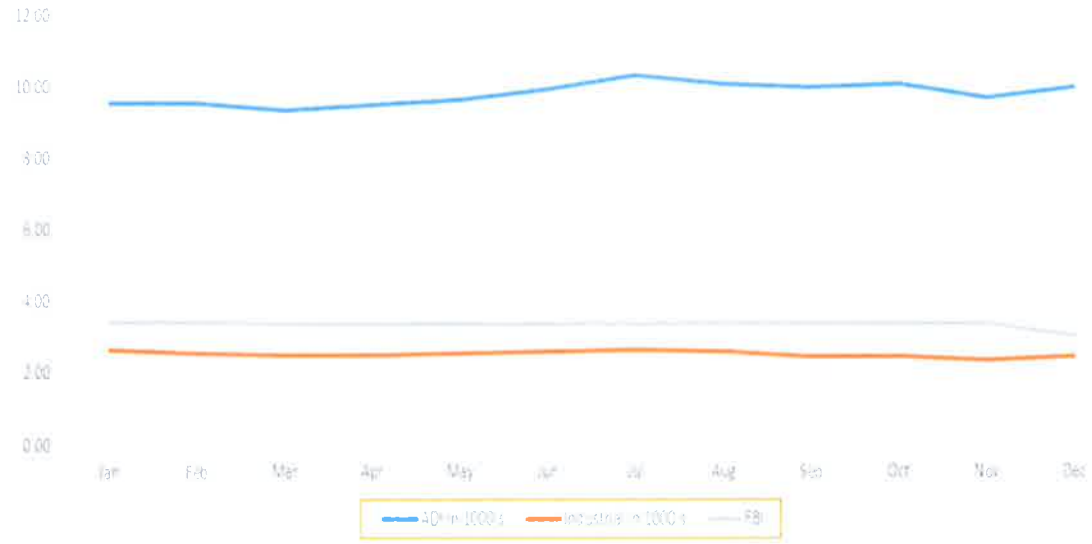
**General information:**

**a- the company share price in the market:**

| Month | Highest price | Lowest price | closing price |
|---|---|---|---|
| January | 3.50 | 3.47 | 3.47 |
| February | 3.47 | 3.47 | 3.47 |
| March | 3.40 | 3.40 | 3.40 |
| April | 3.39 | 3.39 | 3.39 |
| May | 3.39 | 3.39 | 3.39 |
| June | 3.39 | 3.39 | 3.39 |
| July | 3.39 | 3.39 | 3.39 |
| August | 3.39 | 3.39 | 3.39 |
| September | 3.39 | 3.39 | 3.39 |
| October | 3.39 | 3.39 | 3.39 |
| November | 3.39 | 3.39 | 3.39 |
| December | 3.06 | 3.06 | 3.06 |

**b- Performance of the company's Shares:**

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c- Shareholding Distribution as of 31 December 2025:

| Category | Nationality | Percentage |
|---|---|---|
| Government | LOCAL | 55.91% |
| Companies | LOCAL | 27.81% |
| Individuals | LOCAL | 16.28% |

d- Shareholders who have more than 5% as of 31 December 2025:

| Name | Number of shares | Percentage |
|---|---|---|
| Department of Industry & Economy - Fujairah | 76,028,833 | 55.91% |
| Fujairah National Group | 14,919,564 | 10.97% |
| Al Saoud Limited Company | 7,001,303 | 5.15% |

e- Shareholders distribution by size of equity as 31 December 2025:

| Share(s) Owned | Number of Shareholders | Number of Share | Percentage |
|---|---|---|---|
| Less than 50,000 | 138 | 1,724,632 | 1.27 % |
| From 50,000 to less than 500,000 | 71 | 8,849,141 | 6.51 % |
| From 500,000 to less than 5,000,000 | 10 | 15,112,684 | 11.11 % |
| More than 5,000,000 | 5 | 110,301,043 | 81.11% |

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**f- Procedures taken for the control of investor relations:**

The company's management has appointed an investor and shareholder relations responsible and has also added an investor relations section on the company's website at:
http://www.fujfbi.ae/investor_ca.html

**Contact Details of the Investor Relation manager:**
Name: Mahmoud Jallad
Telephone: 00971 9 2056 900 Fax: 00971 9 2227314
Email: companysecretary@fujfbi.ae

**G- Special resolution approved in the last AGM:**

The Board of Directors suggestion to provide voluntary contributions for the purpose of community service and authorize the Board of Directors to determine the concerned parties which will receive These contributions provided that the voluntary contributions shall not exceed (2%) of net profit average of both fiscal years (2023/2024) subject to provisions of the commercial company's law no 32 of 2021.

**Procedure taken with respect to the Special resolutions approved in the last AGM:**

The company has contributed to the development of the community through participation in sponsoring several events in the Emirate of Fujairah, as well as continuing cooperation with Fujairah Foundation for Region Development – FFRD which belongs to Government of Fujairah.

**h- Name of the BOD secretary:**

**Mr. Mahmoud Jallad:** Was appointed by the Board of Directors since 17 Feb 2025.

**I- Significant events during 2025:**

There were no Significant events in the company during 2025.

**J- Deals made by the company that 5% or more of its capital in 2025:**

The company did not make any deal equal to or exceeding 5% of its capital during the year 2025.

**K- Emiratization percentage in the company during 2023,2024 & 2025:**

| Year | Emiratization Percentage |
|---|---|
| 2023 | 3.45% |
| 2024 | 3.45% |
| 2025 | 3.36% |

**L- Innovative project implemented by the company during 2025:**

There was no innovative project implemented by the company during 2025.

**Chairman** **Audit Committee Chairman** **N.R Committee Chairman** **Internal Aduit**

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# Fujairah Building Industries PJSC

## Environment, Social, Governance (ESG) Report 2025

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FUJAIRAH BUILDING INDUSTRIES
الفجيرة لصناعات البناء

# Introduction

الفجيرة للمنتجات الاسمنتية
Fujairah Concrete Products
Fujairah Quarry
محاجر الفجيرة الوطنية
FMTF

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# Introduction

## Company Profile

Fujairah Building Industries PJSC ("FBI") was established in 1979. Over the last several decades and since its IPO and listing on the Abu Dhabi Securities Market 'ADX' in January 2007, the company has grown in leaps and bounds and caters to the dynamic markets in UAE and the Middle East. FBI is one of the leading technology driven organizations in the construction sector, reputed for its quality products and services.

Currently, the following companies fall under the Fujairah Building Industries umbrella:

- Fujairah Rockwool Factory (FRF)
- Fujairah Concrete Products (FCP)
- Fujairah Marble and Tiles Factory (FMTF)
- Fujairah National Quarry (FNQ)
- Emirates Ceramics Factory

Since its Foundation FBI has been committed to providing excellent quality of products and services to our clients while maintaining sustainability and ensure its integration and application with at all levels of the company business.

Following the guidelines of ADX & SCA and as continuation to their efforts and initiative of promoting sustainability in PSC companies, FBI is issuing its ESG Report for the year 2023 in accordance with the resolution (No 3/RM) of 2020 regarding the governance guidelines for PSC companies.

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# FBI's Mission, Vision & Values

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Fujairah Quarry
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# FBI's Mission, Vision & Values

## Mission

Our mission is to provide our clients with excellent quality products and cultivating successful and long-term partnerships with them. We also will continue to encourage research and development among our subsidiary companies to ensure that the best quality products are manufactured.

## Vision

Our vision is to be the leading provider of various industrial and building products across the Middle East and continue to provide our clients and the society we serve with premium service and products.

## Values

Our core values are:

Providing excellent quality of products and services to our clients
Ensuring there is teamwork, respect and mutual encouragement among our subsidiaries and employees
Reliability and honesty when dealing with everyone
Protecting the environment and our employees
Ensuring we create a sustainable environment for our employees, society and the environment
Corporate Social Responsibility



FUJAIRAH BUILDING INDUSTRIES
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# FBI's Commitment

الفجيرة للمنتجات الاسمنتية
Fujairah Concrete Products
FRP
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# FBI's Commitment

### Enabling our Employees

FBI is investing in its employees by enhancing their knowledge and practical experiences which is the way to implement a sustainable environment in the company.

### Research & Development

As the market is continuously evolving, FBI Group is consistently investing in research & development to maintain international standards of quality, to stay updated with the evolving market trends, and innovate products according to customers requirements.



### Innovation

FBI's approach is to promote the innovation and the development of its product and services by creating a whole bunch of sustainable and environment friendly products.



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# Stakeholder Engagement

الفجيرة للمنتجات الاسمنتية
Fujairah Concrete Products
FMTF

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# Stakeholder Engagement

- Sustainability, consistency with continuous improvement and innovation are underlying objectives in everything we do. We endeavor to act, operate efficiently, transparently and deliver our objectives. We remain committed to having a positive impact on our customers, employees, suppliers, society and environment, while at the same time maintaining sustainable success.

- Our strategy for sustainability is largely driven with continuous engagement with stakeholders, which enables us to understand their priorities and expectations from us and align with our business practices and corporate priorities. We regularly engage with our key stakeholder groups to help shape and drive our sustainability strategy.

## Key Stakeholders




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# Material ESG Goals that matter to FBI

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الفجيرة للمنتجات الاسمنتية
Fujairah Concrete Products
FUJAIRAH ROCKWOOL FACTORY
FRF
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# Material ESG Goals that matter to FBI

| | |
|---|---|
| Environment | E1. GHG Emissions |
| | E2. Emissions Intensity |
| | E3. Energy Usage |
| | E4. Energy Intensity |
| | E6. Water Usage |
| | E7. Environmental Operations |
| | E8. Environmental Oversight |
| | E9. Environmental Oversight |
| | E10. Climate Risk Mitigation |
| Social | S1. - CEO Pay Ratio |
| | S2. - Gender Pay ratio |
| | S3. - Employee Turnover |
| | S4. - Gender Diversity |
| | S6. - Non- Discrimination |
| | S7. - Injury Rate |
| | S8. - Global Health & Safety |
| | S9. - Child & Forced Labour |
| | S10. - Human Rights |
| | S11. - Nationalization |
| Governance | G.1 - Board Diversity |
| | G.2 - Board Independence |
| | G.4 - Supplier Code of Conduct |
| | G.5 - Ethics & Prevention of corruption |
| | G.6 - Data Privacy |
| | G.8 Disclosure Practices |






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# ESG Report

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# Environment

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FRF
FMTF

# ESG Report - Environment

- FBI Group understands that it is has a responsibility to care for the environment, and as a result of this responsibility the company and its units invested in research & development to reach a very sustainable approach for the environment.

- FBI subsidiaries are certified as follows: Fujairah Rockwool Factory (FRF) is certified by ISO 9001 for Quality Assurance, ISO 14001 for Environmental Management, OHSAS 18001 for Occupational Health and Safety, while Fujairah Concrete Products (FCP) is certified with ICV, ISO 45001:2018, ISO 14001: 2015, and ISO 9001: 2015. These entities are also Members of Emirates Green Building Council.

- The projects that FBI has invested in to protect the environment are as follows:
  - Group has established Emission Controls and Heat Reduction facility in FRF to eliminate emission of harmful gases in the environment making the complete process environment friendly. Further, an Emission Monitoring Systems in place that track all emissions in the factory to maintain FRF's emission levels lower than industrial standards.
  - Significant investment was made in FRF to recycle the manufacturing waste by converting them into briquettes which are used in production of rockwool. As a result, we are proud to say that we have zero landfill.
  - We are investing in building Grey Water Recycle System in FCP to ensures zero water wastage. This will help to reduce freshwater consumption to a great extent.

- FRF products are sustainable as they are produced from natural igneous rocks, non-combustible, eco-friendly and biodegradable. These products helps in energy conversation, heat reduction and temperature control which reduce the consumption of energy. Our FRF products has obtained various certificates such as ICV, ADQCC, Certificate from Dubai Municipality, Warrington Certification etc.

- FRF Continuously investing in innovation and developed new product firesafe products for Construction industry and Hydroponic products Agriculture sector.



# Social

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# ESG Report - Social

- FBI group has been committed to its social responsibility by making the balance between the needs of the society, stakeholders, employees and the main business.
- The group has approached many initiatives including attribution to the many social events in the emirate of Fujairah and contributing to the government efforts of Emiratization.
- FBI contributes to the efforts of Government of Fujairah and Fujairah Foundation for Regional Development (FFRD) to help the citizens of Fujairah with the construction and renovation of their homes.
- The young Emirati workforce has been placed within our units for further training to equip them with industry-ready skills. This has been an ongoing activity for many years now.



# ESG Report – Social (Cont'd)

| Matric | Parameters | Outcome/Response |
|---|---|---|
| S1. CEO Pay Ratio | S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation | 11.69 |
| S2. Gender Pay ratio | Ratio: Median male compensation to median female compensation | 1.58 |
| S3. Employee Turnover | S3.1) Percentage: Year-over-year change for full-time employees | 17% |
| S4. Gender Diversity | S4.1) Percentage: Total enterprise headcount held by men and women | 91% Men, 9% Women |
| S6. Non- Discrimination | Does company follow non-discrimination policy? Yes/No | We follow UAE Laws & Regulations |
| S7. Injury Rate | Percentage: Frequency of injury events relative to total workforce time | 0% |
| S8. Global Health & Safety | Does company follow an occupational health and/or global health & safety policy? Yes/No | Yes |
| S9. Child & Forced Labour | S9.1) Does company follow a child and/or forced labor policy? Yes/No | We follow UAE Laws & Regulations |
| S10. Human Rights | S10.1) Does company follow a human rights policy? Yes/No | We follow UAE Laws & Regulations |
| S11. Nationalization | Percentage of national employees | 3.36% |

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FUJAIRAH BUILDING INDUSTRIES
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# Governance

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Fujairah Concrete Products
FUJAIRAH WOODWORK FACTORY
FRF
FMTF

# ESG Report - Governance

- The Group follows and complies with the governance rule mention in the chairman resolution No 3/Rm of 2020.

| Matric | Parameters | Outcome/Response |
|---|---|---|
| G.1 Board Diversity | G1.1) Percentage: Total board seats occupied by men and women<br>G1.2) Percentage: Committee chairs occupied by men and women | At the company's general assembly meeting on March 6, 2024, members of the Board of Directors were elected, including women element at a rate of 14.3%. |
| G.2 Board Independence | G2.1) Does company prohibit CEO from serving as board chair? Yes/No<br>G2.2) Percentage: Total board seats occupied by independent board members | The Board of Directors is comprised of seven members most of them independent and nonexecutives. |
| G.4 Supplier Code of Conduct | S3.1) Percentage: Year-over-year change for full-<br>G4.1) Are vendors or suppliers required to follow a Code of Conduct? Yes/ No | We have established detailed terms and conditions which are applied to all our external procurements. These standard terms and conditions includes supplier code of conduct to ensure ethical and fair business practices. |
| G.5 Ethics & Prevention of corruption | | - There are two committee established by the Board: 1. Audit committee and 2. Nomination and remuneration committee. Board, Board Committees and Group Management collectively drive the culture of Ethics and integrity across the Group and while dealing with external parties.<br>- Board has established two functions independent from the Group Management to ensure that Group is compliance with regulatory requirements and Group complies with established policies and procedures. |
| G.6 Data Privacy | G6.1) Does company follow a Data Privacy policy? Yes/No | FBI has established set of policies to ensure data privacy:<br>- Information Security Policy<br>- User Access Control Policy<br>- Internet Security Policy<br>- Physical and Environment Security Policy<br>- Network Security Policy.<br>Collectively these policy drives the culture and ensure data privacy across the Group |
| G.8 Disclosure Practices | | The company discloses its outcome of its general assembly meetings, BOD meeting and Financial Results to the shareholders on company website and ADX website. |

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