General Assembly meeting

Date: 16/11/2026

Dear shareholders,

Proposed sale of Clinker Production Unit No. 1 to AUM COMMODITIES FZCO , is a **(RELATED PARTY)** to Fujairah Cement Industries (P.S.C.), as they are partners in a TRIPARTITE JOINT VENTURE AGREEMENT FOR ESTABLISHMENT AND OPERATION OF DRY MORTAR & CHEMICAL MANUFACTURING PLANT

Fujairah Cement Industries PJSC

Background

The Company has received an offer to sale Clinker Production Unit No. 1 for a consideration of AED 225 million. Unit 1 is the oldest production line of the Company, having been commissioned in 1982 with an installed production capacity of approximately 1.25 million tonnes per annum. The carrying amount (net book value) of Unit 1 as at the latest approved financial statements dated 30 June 2026 was approximately AED 113 million, while an independent valuation undertaken by Cavendish Maxwell assessed the fair value of the unit at AED 156.36 million as at 30 September 2026. The proposed consideration of AED 225 million therefore represents a substantial premium over both the carrying value and the independently assessed fair value of the asset, providing the Company with an opportunity to realize significant value from a mature production facility. Furthermore, Unit 1 is not expected to materially impact the Company's ongoing revenue-generating capacity, as current production requirements can be supported through Unit 2. Accordingly, the proposed sale is considered a financially beneficial and commercially prudent transaction that supports the Company's long-term strategic and financial objectives.

Strategic Rationale for the sale

The proposed sale of Unit 1 for a consideration of AED 225 million represents a strategic opportunity for the Company.

Key considerations include:

1. Age of the Asset

- Unit 1 was commissioned in 1982 and is more than four decades old. Although maintained in operational condition, the asset has reached a mature stage of its economic life.

2. Limited Contribution to Current Operations

- The Company's current production and operational requirements can be supported through its Unit 2 production facilities.
- Accordingly, the sale of Unit 1 is not expected to have a material adverse impact on the Company's ongoing revenue-generating activities.

3. Value Realisation

- The net book value of Unit 1 as at the latest approved financial statements dated **30 June 2026** was approximately **AED 113 million**.
- The proposed sale consideration of **AED 225 million** represents a substantial premium over the carrying value of the asset and enables the Company to realise significant value from a mature asset.

4. Independent Valuation Support

- An independent valuation undertaken by Cavendish Maxwell assessed the fair value of Unit 1 at approximately **AED 156.36 million** as at 30 September 2026. The proposed sale consideration of AED 225 million exceeds both the net book value and the independently assessed fair value.

Financial Impact and Benefits

As at 30 June 2026, the Company had outstanding borrowings of approximately **AED 527 million** together with accrued finance costs of approximately **AED 92.97 million**.

The proposed sale proceeds of **AED 225 million** are expected to be utilized primarily towards reducing existing borrowings. This is anticipated to:

- Strengthen the Company's balance sheet.
- Significantly reduce financing obligations and related finance costs.
- Improve liquidity and cash flow position.
- Enhance future profitability through lower interest expenses.
- Allow management to focus capital resources on core and more productive operations.

Conclusion

The proposed sale of Clinker Production Unit No. 1 represents a commercially beneficial transaction for Fujairah Cement Industries PJSC. The transaction enables the Company to monetize a mature asset at a value significantly exceeding its carrying amount, while simultaneously reducing debt obligations and finance costs. Based on management's assessment, the sale is not expected to materially affect the Company's ongoing revenue generation and is anticipated to strengthen the Company's overall financial position and shareholder value.

MOHAMMED BIN HAMAD BIN SAIF AL-SHARQI
CHAIRMAN