



**DIRECTORS' REPORT  
FOR THE YEAR  
2014**



## DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Directors' report along with the company's audited financial statements for the year 2014 attached herewith.

### **Operational Performance:**

The operations of the company are divided into the following categories:

1. Commercial Operations
2. Fish Farming Operations
3. Land Development, Real Estate and Contracting Business
4. Administrative Issues

### **1. Commercial Operations:**

- During 2014, Asmak has strengthened its market positioning of 'Asmak' brand value-added and breaded products segment with strong presence across MENA. Levant and North Africa region. Today, Asmak brand products are distributed through top notch distributors which includes GCC, Levant and North African countries.
- Asmak targets Europe, North America, Africa and CIS countries as next targets to further expand its distribution and become a truly global brand. 'Asmak' brand has been well received by the customers for its high class quality and unique taste. 'Asmak' products have been listed in all prominent hyper and supermarkets across all territories. To further consolidate, your company has initiated aggressive Global marketing campaign during 2015 which would assist in achieving significant growth in 'Asmak' brand business going forward. Asmak also plans to launch branded range of products for HORECA segment in near future.
- Asmak has significantly grown its export business across GCC and MENA countries during 2014. Your company is working on further expanding its export business through strategic partnerships and efficient procurement plans of key seafood commodity products.



- Asmak also has been choice as outsourcing supplier for private label packaging by leading brands from UAE and MENA region.
- During 2014, Asmak has been consolidating its position as a leading player in UAE and MENA region for processing and supplying of fresh and frozen fish products to all business channels. Asmak presence is felt across all business channels including retail, wholesale and HORECA.
- Asmak has been constantly striving to widen its product range and market range in pursuit to grow and stabilize its revenue and profits.

## **2. Fish Farming Operations:**

- Asmak's fish farm in Kingdom of Saudi Arabia has become operational during 2012 and has continued successfully in 2013; the initial production parameters are encouraging. During 2014 the juveniles has been replenished in order to reach the targets over there.

## **3. Land Development, Real Estate & Contracting Business:**

- Regarding the real estate, contracting and landscaping operation in Asmak, the achievements of the division during 2014 has helped and improved the financial position of the group in the year, the overall performance in the contracting and real estate has been enhanced during 2014 as well as many of the running Projects during 2014 has been handed over successfully.

## **4. Administrative Matters:**

During the year 2014, Asmak management has undertaken reorganization and restructuring of its operations with emphasis on improving performance, inject accountability and clarity of roles and relationship and talent building in order to build foundation for future growth and expansion of the company.

The steps taken have contributed to enhance the overall organizational efficiency and management is determined to continue the qualitative improvement in all spheres of organization to meet challenges of future.



### Cooperation with Government Agencies During 2014

- The Company participated in the 6<sup>th</sup> National Exhibition “My Environment My Responsibility” organized by the Ministry of Environment and Water in April 2014. This highlights the position of the Company playing a leading role in supporting national initiatives as a UAE Company to protect the environment and put efforts to preserve fish resources. The exhibition was attended by students from schools and universities across UAE.
- Asmak participated in several seminars, sessions and events with academic institutions inside and outside of UAE such as the Economy Development Department ADFCA and the Ministry of Environment and Water.
- Asmak Participated in several seminars and conferences in the UAE and abroad e.g. KSA, Iraq Norway and Greek.
- During 2014, Asmak participated in the following exhibitions:
  1. SIAL Middle East 2014 – Abu Dhabi
  2. Gulfood 2014 – Dubai
  3. SEAFEX 2014 – Dubai
  4. SIAL Paris – Paris

### **Results**

The financial performance of the Company for the year 2014 is attached herewith; the results are analyzed as follows:

#### Analysis of financial performance:

- Total sales revenue for the year 2014 amounted to AED 299.087 Million vs. AED 268.551 Million in 2013.
- General & Administrative expenses in 2014 amounted to AED 45.983 Million vs. AED 34.564 Million in 2013.
- Finance cost in 2014 amounted to AED 3.346 Million vs. AED 22.019 Million in 2013.
- Gain from investments during 2014 amounted to AED 12.408 Million as compared to loss of AED 8.038 Million in 2013.
- The net Profit for the year 2014 attributed to parent company amounted to AED 43.042 Million vs. net loss of AED 249,807 Million in 2013.



## 2015 PLANS:

ASMAK Company aims to achieve significant growth in terms of revenue and profits during 2015 through expanding product and channel base, improving operational efficiency and performance, as well as achieve diversification and expand its operations in the UAE and abroad organically and inorganically.

In 2015, the Company aims to develop the company's operations in the following directions:

- To increase production at existing farms and to realign farming operations and take steps to improve production and profitability through alternate methods of aquaculture.
- To continuously strengthen 'Asmak' brand portfolio and geographical reach, export business, revenue from value-added products and breaded products processing and distribution and consolidate its position in the UAE, GCC and MENA region and penetrate new territories.
- To strengthen value-added product revenue through high emphasis on maintaining consistency of product quality, achieve high customer satisfaction through meeting customer's needs.
- The development of an integrated concept for the production and distribution of seafood in partnership with top notch regional and international seafood players.
- An effective support to the programs adopted by the UAE Government in order to enrich the natural sustainable fish stocks, food security and conservation of marine life, in the framework of the program, to strengthen fish stocks.

Best Regards,

**Hamad Abdulla Al Shamsi**  
Chairman

