



Directors' report

The Board of Directors has the pleasure in presenting the audited consolidated financial statements of Sharjah Cement & Industrial Development Co. (PJSC) ("the Company") and its subsidiary (collectively referred to as the "Group") for the year ended 31 December 2023.

Principal activities

The Group is engaged in the manufacture and supply of cement, paper sacks and plastic ropes. The Group invests its surplus funds in investment securities, private equities and properties. The Group operates from Sharjah, United Arab Emirates and sells its products in the UAE and certain other countries in the Middle East, Africa and Asia.

Results for the year ended 31 December 2023

Consolidated statement of profit or loss of the Group for the year ended 31 December 2023 is presented on page 8 and Consolidated Balance Sheet of the Group as of 31 December 2023 is presented on page 10 of the consolidated financial statements.

The Group has reported sales of AED 634,468 thousand (2022: AED 635,456 thousand) while the net profit for the year was AED 3,678 thousand (2022: Loss AED 39,606 thousand). Shareholders' equity at 31 December 2023 was AED 1,298,784 thousand (2022: AED 1,273,767 thousand).

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 2023.

Transactions with related Parties

The consolidated financial statements disclose related party transactions and balances in note 26. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

Ernst & Young were appointed as external auditors for the Group for the year ended 31 December 2023, and they have expressed their willingness to continue in office once elected at the forthcoming Annual General Meeting.

Dividend:

Cement Industry has been going through a challenging period, mainly affected by large over-capacity in the country and the substantial increase in energy prices during the last two years, which has resulted in all Cement Manufacturers reporting operational losses. Furthermore, your Board has approved Projects to address both environment issues and to reduce cost of energy input by committing to a capital investment in usage of Alternative Fuel. Under the above circumstances and Company's commitments to new capital expenditure and to Financial Institutions against loans borrowed, the Board unanimously agreed not to recommend a dividend for the year 2023 and this proposal will be put forward to the Shareholders at the AGM for their final decision.

Chairman

21/03/2024