



Date: 24/3/2025

التاريخ : ٢٠٢٥/٣/٢٤

**M/S.: Abu Dhabi Securities Exchange
Abu Dhabi**

السادة/ سوق أبوظبي للأوراق المالية
أبوظبي

**Disclosure & Compliance Section
Market Operation Surveillance Dept**

قسم الإفصاح والامتثال
قسم مراقبة عمليات السوق

After Greetings

التحية الطيبة،،

Sub: Integrated Report 2024

الموضوع: التقرير المتكامل ٢٠٢٤

Please find attached the "Integrated Report" in implementation of the organizational directives issued by the Securities and Commodities Authority which includes:

عملاً بالموجهات التنظيمية الصادرة عن هيئة الأوراق المالية والسلع، تجدون مرفقاً "التقرير المتكامل" متضمناً :

1. Board of Directors Report

١. تقرير مجلس الإدارة

2. External Auditor's Report

٢. تقرير مدقق الحسابات الخارجي

3. Annual Financial Statements for 2024

٣. البيانات المالية السنوية للعام ٢٠٢٤

4. Corporate Governance Report 2024

٤. تقرير الحوكمة للعام ٢٠٢٤

5. Sustainability Report 2024

٥. تقرير الإستدامة لعام ٢٠٢٤

With all respect

وتقبلوا فائق الإحترام والتقدير

**Alameldin G. Malik
Company's Secretary**

علم الدين جعفر مالك
سكرتير الشركة





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 2024.

Principal activities

The Group is engaged in the manufacture and supply of cement, dry mortar, 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 2024

Consolidated statement of profit or loss of the Group for the year ended 31 December 2024 is presented on page 8 and Consolidated statement of financial position of the Group as of 31 December 2024 is presented on page 10 of the consolidated financial statements.

The Group has reported sales of AED 680,146 thousand (2023: AED 634,468 thousand) while the net profit for the year was AED 31,712 thousand (2023: Profit of AED 3,678 thousand). Shareholders' equity at 31 December 2024 was AED 1,344,620 thousand (2023: AED 1,298,784 thousand).

Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources 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 2024.

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 2024, and they have expressed their willingness to continue in office once elected at the forthcoming Annual General Meeting.



Chairman
5 March 2025

**Sharjah Cement & Industrial
Development Co. (PJSC)
and its subsidiary**

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

Consolidated financial statements

31 December 2024

<i>Contents</i>	<i>Page</i>
Directors' report	1
Independent auditor's report	2 - 7
Consolidated statement of profit or loss	8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of cash flows	11
Consolidated statement of changes in equity	12 - 13
Notes to the consolidated financial statements	14 - 49



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Chairman
5 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHARJAH CEMENT & INDUSTRIAL DEVELOPMENT CO. (PJSC)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sharjah Cement & Industrial Development Co. PJSC (the “Company”), and its subsidiary (together referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of 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 2024, 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 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)* (IESBA) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 matters. 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHARJAH CEMENT & INDUSTRIAL DEVELOPMENT CO. (PJSC) (continued)

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

Key Audit Matters (continued)

Key audit matter	How the Matter Was Addressed in the Audit
<p><u>Revenue recognition</u></p> <p>During the year ended 31 December 2024 the Group has recognized revenue of AED 680,146 thousand from sales.</p> <p>The Group recognizes the revenue at a point in time when the customer obtains the control over the goods and this is done upon delivery of the goods to the customer / acceptance by the customer and issuance of the sales invoice.</p> <p>Revenue recognition is considered a key audit matter as this requires management to substantiate the fact that the control over the good is transferred at time of delivery and the amount of revenue is determined in accordance with IFRS 15 "Revenue from contract with customers".</p> <p>The Group focuses on revenue as a core indicator for measuring the performance and consequently this could create an incentive for revenue to be recognized before the control has been transferred or revenue recognition with more than its actual value and recorded in incorrect period.</p>	<p>The work that we performed to address this key audit matter included the following procedures.</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of the Group's accounting policies related to recognition of revenue from sales as well as assessing compliance with the requirements of IFRS 15 Revenue from contract with customers. • We assessed the design and operating effectiveness of the internal controls related to revenue recognition. • We performed substantive audit procedures which included overall analytical procedures by comparing amounts of revenues, gross margin analysis, prices and quantities sold during the current year compared to the previous year and determine whether there are any significant trends or fluctuations. Further, we also performed testing of revenue transactions on sample basis, where we verified the occurrence of the sales from the supporting documents and checked that the revenue was recorded with correct amount. • We performed the cutoff testing to verify that the revenue was recorded in correct period. • We have assessed the adequacy of the management's disclosure in note 4 and note 5 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. (PJSC) (continued)

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

Key Audit Matters (continued)

Key audit matter	How the Matter Was Addressed in the Audit
<p><u>Existence and valuation of inventories</u></p> <p>Inventories comprises 15% of Group's total assets as on 31 December 2024.</p> <p>Inventories on hand comprise of purchased raw materials consisting mainly of limestone, coal, slag, gypsum, petcoke, iron ore and shale, and work in progress comprising mainly of clinkers which are stored in purpose built shed and stockpiles. Since the weighing of these inventories is not practicable, management appoints an external surveyor to assess the reasonableness of the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using an angle of repose and the bulk density.</p> <p>Management has relied upon expert for physical verification of inventory. Due to the significance of the inventory balances and related estimations involved in existence and valuation of the same, this is considered a key audit matter.</p>	<p>The work that we performed to address this key audit matter included the following procedures.</p> <ul style="list-style-type: none"> • We observed the physical inventory count performed by management's expert. We assessed the reasonableness of the measurements of stockpiles during the physical count and reviewed the conversion to the unit of volumes. We also obtained and reviewed the inventory count report of external surveyor's for the major stock items. • We inquired of the management to understand the procedures undertaken as a part of the inventory review and assessment of allowance for slow moving inventory. • We evaluated the analysis and assessment made by the management with respect to the carrying value of slow and obsolete inventories considering the expected demand and market value related to the finished goods. • We tested the valuation of yearend inventory for a sample of selected inventory items, including review of judgements considered regarding obsolescence and net realizable value. • We tested the ageing of the inventory for the sample of selected inventory items. • We have also assessed the adequacy of the management's disclosure in note 13 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. (PJSC) (continued)

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

Other information

Other information consists of 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 identified above 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 on the other information, 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 Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and UAE Federal Decree Law No. 32 of 2021, 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 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.

Those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. (PJSC) (continued)

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

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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.
- 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 units within the group as a basis for forming 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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 auditors' 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. (PJSC) (continued)**

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- i) the Group 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 Articles of Association and the UAE Federal Law No. 32 of 2021;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) investments in shares and stocks during the year ended 31 December 2024, are disclosed in note 12 to the consolidated financial statements;
- vi) note 26 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 Group has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles of Association which would have a material impact on its activities or its consolidated financial position; and
- viii) note 31 reflects the social contributions made during the year.

For Ernst & Young



Wardah Ebrahim
Registration No.: 1258

5 March 2025

Sharjah, United Arab Emirates

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	2024 AED'000	2023 AED'000
Revenue from contract with customers	5	680,146	634,468
Cost of sales		(610,765)	(598,294)
Gross profit		69,381	36,174
Administrative and general expenses		(20,914)	(20,008)
Selling and distribution expenses		(7,627)	(7,966)
Investment income	6	19,156	10,288
Finance expenses	8	(29,121)	(31,977)
Reversal of impairment loss on investment properties	10	-	14,846
Other income		2,888	2,321
PROFIT BEFORE TAX	8	33,763	3,678
Income tax expense	7	(2,051)	-
PROFIT FOR THE YEAR		31,712	3,678
Profit attributable to:			
Equity holder of the parent		31,712	3,678
Basic and diluted earnings per share (AED)	22	0.052	0.006

The attached notes 1 to 31 form part of these consolidated financial statements.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Profit for the year		<u>31,712</u>	<u>3,678</u>
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Investments carried at FVTOCI – net change in fair value	12	15,772	20,860
Deferred tax on fair value change	7	(148)	-
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Change in fair value of interest rate swap		<u>-</u>	<u>479</u>
Other comprehensive income for the year		<u>15,624</u>	<u>21,339</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>47,336</u>	<u>25,017</u>
Total comprehensive income attributable to:			
Equity holders of the parent		<u>47,336</u>	<u>25,017</u>

The attached notes 1 to 31 form part of these consolidated financial statements.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

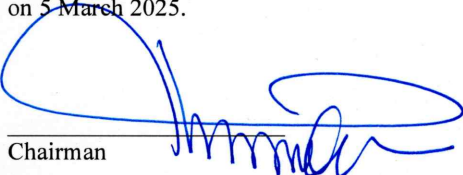
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	882,891	876,229
Investment properties	10	241,982	249,322
Investments carried at FVTOCI	12	167,253	157,169
Deferred tax asset, net	7	325	-
		<u>1,292,451</u>	<u>1,282,720</u>
Current assets			
Inventories	13	287,439	313,325
Trade and other receivables	14	265,217	240,502
Investments carried at FVTPL	12	38,310	31,762
Bank balances and cash	15	42,967	19,546
Asset held for sale	11	47,293	47,293
		<u>681,226</u>	<u>652,428</u>
TOTAL ASSETS		<u><u>1,973,677</u></u>	<u><u>1,935,148</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	608,254	608,254
Statutory reserve	20	334,091	334,091
General reserve	21	226,373	226,373
Fair value reserve	12	46,514	26,040
Proposed Dividend	24	30,413	-
Retained earnings		98,975	104,026
Total equity		<u>1,344,620</u>	<u>1,298,784</u>
Non-current liabilities			
Long term borrowings	17	94,389	112,160
Provision for staff terminal benefits	18	33,379	31,722
Deferred tax liability	7	148	-
		<u>127,916</u>	<u>143,882</u>
Current liabilities			
Trade and other payables	16	220,435	136,203
Short term borrowings	17	280,706	356,279
		<u>501,141</u>	<u>492,482</u>
Total liabilities		<u>629,057</u>	<u>636,364</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,973,677</u></u>	<u><u>1,935,148</u></u>

These consolidated financial statements were approved and authorized for issue on behalf of the Board of Directors on 5 March 2025.

Chairman



Chief Executive



The attached notes 1 to 31 form part of these consolidated financial statements.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
OPERATING ACTIVITIES			
Profit before tax		33,763	3,678
Adjustments for:			
Depreciation on property, plant and equipment	9	71,534	74,633
Depreciation on investment properties	10	7,874	7,852
Allowance for expected credit loss	14	1,350	993
Provision for slow moving inventory	13	3,269	290
Provision for staff terminal benefits	18	3,876	1,747
Gain on disposal of property, plant and equipment		(55)	(87)
Reversal of Impairment loss on investment property	10	-	(14,846)
Gain on change in fair value of investments carried at FVTPL	12	(6,548)	(2,130)
Realised gain on disposal of investments carried at FVTPL	12	-	(115)
Dividend income	6	(6,713)	(5,157)
Finance expense	8	29,121	31,977
		137,471	98,835
Working capital adjustments:			
- inventories	13	22,617	(22,720)
- trade and other receivables	14	(26,065)	(1,189)
- trade and other payables	16	81,784	(51,733)
		78,336	(75,642)
Staff terminal benefits paid	18	(2,219)	(1,125)
Interest paid on borrowings		(30,549)	(31,836)
Net cash generated from / (used in) operating activities		183,039	(9,768)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	(78,288)	(41,015)
Additions to investment property	10	(534)	-
Proceeds from disposal of property, plant and equipment		147	340
Purchase of investments carried at FVTOCI	12	(1,764)	(3,968)
Proceeds from disposal of investments carried at FVTOCI	12	7,452	2,088
Dividend income received	6	6,713	5,157
Purchase of investments carried at FVTPL	12	-	(563)
Proceeds from disposal of investments carried at FVTPL	12	-	1,151
Net cash used in investing activities		(66,274)	(36,810)
FINANCING ACTIVITIES			
Repayment of borrowings	28	(682,622)	(687,374)
Proceeds from borrowings	28	589,278	740,404
Net cash (used in) / generated from financing activities		(93,344)	53,030
NET INCREASE IN CASH AND CASH EQUIVALENTS		23,421	6,452
Cash and cash equivalents at the beginning of the year		19,546	13,094
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		42,967	19,546
<i>Cash and cash equivalents comprise:</i>			
Bank balances and cash in hand	15	42,967	19,546

The attached notes 1 to 31 form part of these consolidated financial statements.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2024

	<i>Share capital AED' 000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Fair value reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Proposed dividend AED'000</i>	<i>Total AED'000</i>
At 1 January 2024	608,254	334,091	226,373	26,040	104,026	-	1,298,784
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	31,712	-	31,712
Other comprehensive income for the year	-	-	-	15,624	-	-	15,624
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	15,624	31,712	-	47,336
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Transaction with owners of the Company</i>							
Proposed dividend (note 24)	-	-	-	-	(30,413)	30,413	-
Directors' fee (note 26)	-	-	-	-	(1,500)	-	(1,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	(31,913)	30,413	(1,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Other equity movement</i>							
Transfer of realised loss from fair value reserve to retained earnings on disposal of investments carried at FVTOCI (note 12)	-	-	-	4,850	(4,850)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other equity movement	-	-	-	4,850	(4,850)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	608,254	334,091	226,373	46,514	98,975	30,413	1,344,620
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The attached notes 1 to 31 form part of these consolidated financial statements.

Sharjah Cement and Industrial Development Co. (PJSC) and its subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2024

	<i>Share capital AED' 000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Fair value reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Proposed dividend AED'000</i>	<i>Total AED'000</i>
At 1 January 2023	608,254	334,091	226,373	2,931	102,118	-	1,273,767
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	3,678	-	3,678
Other comprehensive income for the year	-	-	-	21,339	-	-	21,339
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,339</u>	<u>3,678</u>	<u>-</u>	<u>25,017</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,339</u>	<u>3,678</u>	<u>-</u>	<u>25,017</u>
<i>Transaction with owners of the Company</i>							
Proposed dividend (note 24)	-	-	-	-	-	-	-
Directors' fee (note 26)	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other equity movement</i>							
Transfer of realised loss from fair value reserve to retained earnings on disposal of investments carried at FVTOCI (note 12)	-	-	-	1,770	(1,770)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770</u>	<u>(1,770)</u>	<u>-</u>	<u>-</u>
Total other equity movement	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770</u>	<u>(1,770)</u>	<u>-</u>	<u>-</u>
At 31 December 2023	<u>608,254</u>	<u>334,091</u>	<u>226,373</u>	<u>26,040</u>	<u>104,026</u>	<u>-</u>	<u>1,298,784</u>

The attached notes 1 to 31 form part of these consolidated financial statements.

1 REPORTING ENTITY

Sharjah Cement and Industrial Development Co. (PJSC) (“the Company”) was incorporated in Sharjah, United Arab Emirates in 1977 under an Emiri Decree issued by H.H The Ruler of Sharjah and has since been registered as a public joint stock company. The registered office of the Company is P.O. Box 2083 Sharjah, United Arab Emirates. The shares of the Company are listed on Abu Dhabi Securities Market.

The consolidated financial statements as at and for the year ended 31 December 2024 (“the current year”) comprises the financial statements of the Company and its subsidiary (collectively referred to as “the Group”).

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.

2 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standard Board (IASB) and comply with relevant Articles of the Company and the UAE Federal Decree Law No. (32) of 2021.

Details of the Group’s accounting policies are included in Note 4.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investments carried at fair value through other comprehensive income (“FVTOCI”), investments carried at fair value through profit or loss (“FVTPL”) and derivative financial instruments which are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirate Dirham (“AED”), which is the Group’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgments, assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is discussed in note 29.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

2 BASIS OF PREPARATION (continued)

Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Group uses market observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

- 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 liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes 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 10 – Investment properties and note 12 – Investments.

Basis of consolidation

The Group comprises of the Company and the under-mentioned subsidiary company.

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership</i>	
			<i>2024</i>	<i>2023</i>
Gulf Rope & Plastic Products Co. LLC	Rope and plastic products	United Arab Emirates	<i>100%</i>	<i>100%</i>

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 result 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

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.

3 CHANGES IN MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations effective as of 1 January 2024.

New standards, interpretations and amendments

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 as noted below; (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments and interpretations apply for the first time in 2024, but do not have any material impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, as at 31 December 2024 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Majority of the amendments below are not expected to have a material impact on the Group's consolidated financial statements.

- Lack of exchangeability – Amendments to IAS 21 (effective from annual periods beginning on or after 1 January 2025)
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted)
- IFRS 18 — Presentation and Disclosure in Financial Statements – (effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted)
- IFRS 19 — Subsidiaries without Public Accountability: Disclosures - (effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 – (In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting)

4 MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (refer also note 3).

Business combinations

The Group accounts for business combination using the acquisition method when the control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in the profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

Non-controlling interests ("NCI") are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The Group recognises revenue based on a five-step model as set out in IFRS 15:

- | | |
|--------|---|
| Step 1 | Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met. |
| Step 2 | Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. |
| Step 3 | Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or service to a customer, excluding amounts collected on behalf of third parties. |
| Step 4 | Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation. |
| Step 5 | Recognise revenue when (or as) the entity satisfies a performance obligation. |

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. A contract asset becomes contract receivable when the Group's right to the consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

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 goods 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.

When a significant financing component is identified the Group is required to adjust the promised amount of consideration for the effects of the time value of money. This is because the Group is required to recognise revenue at an amount that reflects the price that the customer would have paid for the promised goods or services if the customer had paid in cash for those goods or services when (or as) they transfer to the customer.

4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Sale of goods

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability i.e., the amount not included in the transaction price and a right to recover returned goods asset and corresponding adjustment to cost of sales are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Rental income

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Finance expenses

The Group's finance expenses comprises interest expenses on borrowings. Finance expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

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.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work in progress

Capital work in progress is stated at cost less any impairment losses and not depreciated until such time the assets are available for use.

4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset	<i>Useful Life</i> <i>(years)</i>
Freehold buildings	20 – 25
Plant and machinery	5 – 30
Furniture and equipment	5
Motor vehicles	3 – 5
Quarry costs	15

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property considering that the accounting policy for investment property is the 'Cost Model' in accordance with IAS 40.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model. Under the cost model, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of replacing a part of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of investment property are recognised in profit or loss as incurred.

The depreciation on buildings is charged on straight line basis over their estimated useful lives of 25 years. The depreciation method, estimation of useful lives and residual values are reassessed at the reporting date. Land is not depreciated.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognised in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined as follows:

Raw material, stores and spares and semi-finished goods purchased

The cost includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation is determined on a weighted average basis.

Raw materials produced locally, work in progress and finished goods

The cost includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity. Valuation is determined on a weighted average basis.

4 MATERIAL ACCOUNTING POLICIES (continued)

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued 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.

Dividend income and return on investments in securities

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVTOCI – debt investment; FVTOCI – equity investment; or 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.

A debt investment is measured at FVTOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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 other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses:

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.
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 investments at FVTOCI	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 OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	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 OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities 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 profit or loss.

4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 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 derecognised.

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 profit or loss.

Offsetting

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

Bank balances and cash

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid 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.

Provisions

A provision is recognized 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. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a 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 recognized as finance expenses.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

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 profit or loss and presented within finance costs.

4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Earnings per share

The Group presents basic earnings per share (EPS) data for its shares. The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Weighted average number of shares outstanding is retrospectively adjusted to include the effect of any increase in the number of shares without a corresponding change in resources.

Segment reporting

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.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Contingencies

Contingent liabilities are not recognised in the 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 financial statements but disclosed when an inflow of economic benefits is probable.

Impairment

Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost i.e. Trade receivables and cash at bank balances; and
- debt investments measured at FVTOCI

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

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 (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Group considers a financial asset to be in default when:

- the debtor 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 365 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events 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 and debt securities at FVTOCI 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 debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor 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 statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

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 profit or loss account.

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 individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and inventories) 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 generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate 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 recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

Provision for staff terminal benefits

The provision for staff terminal benefits is calculated in accordance with the provisions of the UAE Labor Law and is based on the liability that would arise if the employment of all staff were to be terminated at the reporting date. These are classified as long term liabilities.

With respect to its UAE national employees, the Group makes contributions to the General Pension and Social Security Authority. These contributions are calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

4 MATERIAL ACCOUNTING POLICIES (continued)

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset 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 year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Group classifies all other liabilities as non-current.

4 MATERIAL ACCOUNTING POLICIES (continued)

Taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the standalone statement of comprehensive income. 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.

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, associate, 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 utilized.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

4 MATERIAL ACCOUNTING POLICIES (continued)

Value added tax (VAT)

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or 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 tax authority is included as part of receivables or payables in the consolidated statement of financial position.

5 REVENUE FROM CONTRACT WITH CUSTOMERS

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

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Type of revenue		
Sale of goods	680,146	634,468
Geographical markets		
Within UAE	583,496	503,459
Outside UAE	96,650	131,009
Total revenue from contracts with customers	680,146	634,468
Timing of revenue recognition		
Goods transferred at a point in time	680,146	634,468

Contract balances

A contract asset is Group's right to consideration in exchange for goods that has been transferred to the customers. The Group has trade receivable of AED 259,292 thousand (2023: AED 235,787 thousand) (note 14) and short-term advances received from customers to supply the goods are AED 6,591 thousand (2023: AED 1,756 thousand) as at 31 December 2024.

Performance obligations

The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 150 to 210 days from delivery (2023: 150 to 210 days).

6 INVESTMENTS INCOME

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Gain on change of fair value of investments carried at FVTPL (note 12)	6,548	2,130
Realised gain on disposal of investments carried at FVTPL (note 12)	-	115
Net income from investment properties (note 10)	5,488	2,720
Dividend income	6,713	5,157
Others	407	166
	19,156	10,288

7 CORPORATE TAXATION

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law is considered 'enacted' as at 31 December 2024 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the year ended 31 December 2024.

Following are the major components of income tax expense for the year ended 31 December 2024:

	<i>Amount AED'000</i>
<i>Consolidated Statement of Profit or loss</i>	
Current income tax charge	2,376
Deferred tax related to the origination of the temporary differences	(325)
	<u>2,051</u>
<i>Consolidated Statement of Other comprehensive income</i>	
Deferred tax related to the origination of the temporary differences	148
	<u>148</u>

Reconciliation of tax expense and the accounting profit for the year ended 31 December 2024 is as below;

	<i>Amount AED'000</i>
Accounting profit before tax	33,763
At United Arab Emirates' statutory income tax rate (9% of profit above AED 375 thousand)	3,005
<i>Adjustments for amounts which are non-deductible / (taxable) in calculating taxable income</i>	
Non-deductible expenses for tax purposes	87
Exempt income	(1,041)
	<u>2,051</u>
Income tax expense reported in the income statement	<u>2,051</u>
Effective tax rate	<u>6.1%</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

7 CORPORATE TAXATION (continued)

Deferred tax reflected in the consolidated statement of financial position as follows;

	<i>31 December 2024 AED'000</i>
Deferred tax asset	325
Deferred tax liability	148

Reconciliation of Deferred tax is as below;

	<i>Amount AED'000</i>
As of 1 January 2024	-
Tax income during the period recognised in profit or loss	325
Tax expense during the period recognised in OCI	(148)
As of 31 December 2024	177

Movement in the current tax payable is as below;

	<i>Amount AED'000</i>
As of 1 January 2024	-
Current tax charge for the year	2,376
Paid during the year	-
As of 31 December 2024 (note 16)	2,376

8 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	<i>2024 AED'000</i>	<i>2023 AED'000</i>
Salaries and staff related costs:		
Wages and salaries	41,488	38,866
End of service benefits (note 18)	3,876	1,747
Other employee benefits	18,917	18,721
	64,281	59,334

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

8 PROFIT FOR THE YEAR (continued)

	2024 AED'000	2023 AED'000
<i>Allocation of salaries and staff related costs is as follows;</i>		
Cost of sales	46,675	42,828
General and Administrative	13,653	13,132
Selling and distribution	3,953	3,374
	64,281	59,334
	2024 AED'000	2023 AED'000
Finance expenses:		
Interest on bank borrowings*	29,121	31,977
	2024 AED'000	2023 AED'000
Cost of sales:		
Material consumed	322,916	317,481
	2024 AED'000	2023 AED'000
Depreciation:		
Property, plant and equipment	71,534	74,633
Investment properties	7,874	7,852
	79,408	82,485

*The amount of borrowing costs capitalised during the year ended 31 December 2024 was AED 3,812 thousand (2023: AED 2,007 thousand). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.5% (2023: 7.08%), which is the EIR of the specific borrowing.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Freehold land AED'000</i>	<i>Freehold buildings AED'000</i>	<i>Plant and machinery AED'000</i>	<i>Furniture, and equipment AED'000</i>	<i>Motors vehicles AED'000</i>	<i>Quarry costs AED'000</i>	<i>Capital work-in progress AED'000</i>	<i>Total AED'000</i>
Cost								
At 1 January 2023	23,852	436,704	1,548,776	45,526	47,644	4,364	43,018	2,149,884
Additions	-	1,568	4,173	949	2,133	-	32,192	41,015
Disposals	-	-	-	(317)	(2,004)	-	-	(2,321)
Transfer	-	15,172	53,040	343	-	-	(68,555)	-
At 31 December 2023	23,852	453,444	1,605,989	46,501	47,773	4,364	6,655	2,188,578
At 1 January 2024	23,852	453,444	1,605,989	46,501	47,773	4,364	6,655	2,188,578
Additions	-	1,054	22,656	585	2,658	-	51,869	78,822
Disposals	-	-	-	-	(751)	-	-	(751)
Transfer	-	2,098	6,882	-	-	-	(8,980)	-
Transfer to Investment property	-	-	-	-	-	-	(534)	(534)
At 31 December 2024	23,852	456,596	1,635,527	47,086	49,680	4,364	49,010	2,266,115
Depreciation								
At 1 January 2023	-	283,528	864,551	43,105	44,658	3,942	-	1,239,784
Charge for the year	-	14,897	57,369	1,082	1,220	65	-	74,633
On disposals	-	-	-	(165)	(1,903)	-	-	(2,068)
At 31 December 2023	-	298,425	921,920	44,022	43,975	4,007	-	1,312,349
At 1 January 2024	-	298,425	921,920	44,022	43,975	4,007	-	1,312,349
Charge for the year	-	13,554	55,387	975	1,554	64	-	71,534
On disposals	-	-	-	-	(659)	-	-	(659)
At 31 December 2024	-	311,979	977,307	44,997	44,870	4,071	-	1,383,224
Net book value								
At 31 December 2024	23,852	144,617	658,220	2,089	4,810	293	49,010	882,891
At 31 December 2023	23,852	155,019	684,069	2,479	3,798	357	6,655	876,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation has been allocated as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Cost of sales	69,006	72,331
Administrative and general expenses	2,528	2,302
	71,534	74,633

- a) Capital work in progress included in property, plant and equipment at 31 December 2024 was mainly relating to expenditure for alternative fuel feeding system and other plant & machinery in the course of construction.
- b) At 31 December 2024, the cost of fully depreciated property, plant and equipment that is still in use amounted to AED 563 million (2023: AED 560 million).
- c) There are commercial mortgage and assignment of insurance policy in respect of plant & machinery in relation to banking facilities obtained by the Group (note 17).

10 INVESTMENT PROPERTIES

	<i>Undeveloped land AED'000</i>	<i>Developed Land AED'000</i>	<i>Buildings AED'000</i>	<i>Properties under development AED'000</i>	<i>Total AED'000</i>
Cost:					
At 1 January 2023	53,301	43,466	224,331	1,866	322,964
At 31 December 2023	53,301	43,466	224,331	1,866	322,964
At 1 January 2024	53,301	43,466	224,331	1,866	322,964
Transfer from PPE (note 9)	-	-	534	-	534
At 31 December 2024	53,301	43,466	224,865	1,866	323,498
Depreciation and impairment:					
At 1 January 2023	748	-	78,022	1,866	80,636
Charge for the year	-	-	7,852	-	7,852
Reversal of impairment during the year	(748)	-	(14,098)	-	(14,846)
At 31 December 2023	-	-	71,776	1,866	73,642
At 1 January 2024	-	-	71,776	1,866	73,642
Charge for the year	-	-	7,874	-	7,874
At 31 December 2024	-	-	79,650	1,866	81,516
Net book value:					
At 31 December 2024	53,301	43,466	145,215	-	241,982
At 31 December 2023	53,301	43,466	152,555	-	249,322

10 INVESTMENT PROPERTIES (continued)

Net operating income from investment properties is as below;

	2024 AED'000	2023 AED'000
Rental income derived from investment properties	18,034	16,263
Direct operating expenses	(4,672)	(5,691)
Rental income net off direct operating expenses	13,362	10,572
Depreciation charge	(7,874)	(7,852)
Net income from investment properties (note 6)	5,488	2,720

Investment properties are carried at cost and the fair value of the investment properties as of 31 December 2024, based on valuation undertaken by an independent qualified valuer, amounted to AED 457,180 thousand (2023: AED 430,706 thousand). The fair value of the investment properties has been determined using level 3 fair value.

There is a registered mortgage and assignment of fire insurance policy over an investment property in relation to banking facilities obtained by the Group (note 17).

Impairment of investment properties

Management has made impairment assessment based on the difference between projected rental income and actual inflows and involved an external valuer for valuation of investment properties. Based on the assessment, market value of the properties is not less than carrying value. Management has assessed that the impairment of AED 3,479 thousand is adequate but not excess and an impairment loss of AED Nil thousand (2023: AED 14,846 thousand) was reversed during the year.

11 ASSET HELD FOR SALE

	2024 AED'000	2023 AED'000
Opening balance	47,293	47,293
Closing balance	47,293	47,293

- (i) This represents 35.5% shareholding of Autoline Industrial Park Limited ("AIPL") in India which holds industrial plots of land in Maharashtra, India.
- (ii) The Board of Directors of AIPL has approved the sale of AIPL and has signed a Memorandum of Understanding with a buyer. The Board of Directors of the Group also approved the sale of Group's shareholding in AIPL.
- (iii) The Group has signed a memorandum of understanding to sell its shareholding in AIPL to this buyer and agreed a payment plan. As of 31 December 2024, the Group has received an amount of INR 361 million equivalent to AED 14.25 million. As per the MOU the share transfer will initiate once the Group has received 49% of the amount. The Group expects to receive the full sale consideration over the next six months.
- (iv) Management is of the view that the fair value less cost to sell is expected to be higher than the carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

12 INVESTMENTS

	2024 AED'000	2023 AED'000
<i>Non-current investments</i>		
<i>Investments carried at FVTOCI</i>		
Investment in quoted equity securities	135,172	126,733
Investment in unquoted equity securities	32,081	30,436
	167,253	157,169
<i>Current investments</i>		
<i>Investments carried at FVTPL</i>		
Investment in quoted equity securities	38,310	31,762
Closing balance	205,563	188,931
<i>Quoted:</i>		
UAE	141,946	124,920
Outside UAE	31,536	33,575
<i>Unquoted:</i>		
UAE	325	288
Outside UAE	31,756	30,148
	205,563	188,931

Investments carried at FVTOCI

This include investments in equity shares of listed companies. Fair values of these equity shares are determined by reference to published price quotations in an active market. The Group holds non-controlling interests in these companies. FVTOCI also includes the investments in funds which are unquoted. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. Movement during the year is as below;

	2024 AED'000	2023 AED'000
As at 1 January	157,169	134,429
Purchases made during the year	1,764	3,968
Change in fair value	15,772	20,860
Disposals during the year	(7,452)	(2,088)
As at 31 December	167,253	157,169

Cumulative changes in fair value reserve of investment carried at FVTOCI

	2024 AED'000	2023 AED'000
As at 1 January	26,040	3,410
Net change in fair value during the year	15,772	20,860
Deferred tax on unrealized fair value change (note 7)	(148)	-
Transfer to retained earnings upon disposal	4,850	1,770
As at 31 December	46,514	26,040

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

12 INVESTMENTS (continued)

Sensitivity analysis – equity price risk

The Group's investments in quoted equity securities are listed on the Dubai Financial Market (DFM), Abu Dhabi Security Exchange (ADX), Kuwait Stock Exchange (KSE), National Stock Exchange of India Ltd (NSE) and Bahrain Stock Exchange (BSE). For quoted investments classified as FVTOCI, a 10 % increase/decrease in all of these stock exchanges at the reporting date would have increased or decreased OCI by AED 13,517 thousand (2023: AED 12,673 thousand).

Unquoted investments are carried at fair value of shares in the respective investee companies as at 31 December 2024. In determining the fair value of these investments, management engage professionally qualified external valuers to measure the fair value. The fair value of these investments is determined based on market comparable information related to the investee companies and on net assets value.

Investments carried at FVTPL

This include investments in equity shares of listed companies. Fair values of these equity shares are determined by reference to published price quotations in an active market. Movement during the year as follows:

	2024 AED'000	2023 AED'000
As at 1 January	31,762	30,105
Purchases made during the year	-	563
Fair value gain (note 6)	6,548	2,130
Realized gain on disposal of investments (note 6)	-	115
Disposals during the year	-	(1,151)
	<hr/> 38,310 <hr/>	<hr/> 31,762 <hr/>
As at 31 December	38,310	31,762

13 INVENTORIES

	2024 AED'000	2023 AED'000
Raw materials	135,502	111,609
Work in progress and semi-finished goods	43,291	95,062
Finished goods	15,169	16,023
Stores and spares	117,307	110,113
	<hr/> 311,269 <hr/>	<hr/> 332,807 <hr/>
Less: provision for slow moving inventories	(25,612)	(22,343)
	<hr/> 285,657 <hr/>	<hr/> 310,464 <hr/>
Goods-in-transit	1,782	2,861
	<hr/> 287,439 <hr/>	<hr/> 313,325 <hr/>

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

	2024 AED'000	2023 AED'000
At 1 January	22,343	22,053
Add: provided during the year	4,300	3,500
Less: written back during the year (refer note below)	(1,031)	(3,210)
	<hr/> 25,612 <hr/>	<hr/> 22,343 <hr/>

Provision for slow moving inventories was recorded against semi finished goods stock and stores and spares. The provision was written back during the year based of the Group's assessment of the net realizable value of the finished goods during the year ended 31 December 2024.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

14 TRADE AND OTHER RECEIVABLES

	2024 AED'000	2023 AED'000
Trade receivables	259,292	235,787
Less: provision for expected credit losses	(8,569)	(7,219)
	<u>250,723</u>	<u>228,568</u>
Prepayments and advances to suppliers	12,349	10,507
Other receivables	2,145	1,427
	<u>265,217</u>	<u>240,502</u>

Movement in the allowance for expected credit losses is as follows:

	2024 AED'000	2023 AED'000
At 1 January	7,219	6,226
Add: charge for the year	1,350	1,250
Less: reversal during the year	-	(257)
	<u>8,569</u>	<u>7,219</u>

The majority of trade receivables are secured against bank guarantees credit, and management believes that the provision for ECL at the reporting date is sufficient. Trade receivables are non-interest bearing and are generally on terms of 150 to 210 days (2023: 150 to 210 days). Ageing analysis of gross trade receivables are as follows, refer note 28 for the provision for expected credit losses on these receivables.

	Total AED'000	Neither past due nor impaired AED'000	Past due		
			1 - 90 days AED'000	91 - 180 days AED'000	Above 180 days AED'000
2024	<u>259,292</u>	<u>153,218</u>	<u>90,321</u>	<u>10,774</u>	<u>4,979</u>
2023	<u>235,787</u>	<u>146,044</u>	<u>79,849</u>	<u>5,711</u>	<u>4,183</u>

15 BANK BALANCES AND CASH

	2024 AED'000	2023 AED'000
Cash in hand	490	558
Bank balances:		
Current accounts	42,477	18,988
	<u>42,967</u>	<u>19,546</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

16 TRADE AND OTHER PAYABLES

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Trade payables	143,587	83,382
Accruals and other payables	60,903	38,976
VAT Payable	1,444	1,717
Current tax provision (note 7)	2,376	-
Unclaimed dividend payable to shareholders	12,125	12,128
	220,435	136,203

Trade payables are non-interest bearing and are normally settled on terms of 90 to 120 days (2023: 90 to 120 days)

17 BANK BORROWINGS

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
<i>Long term borrowings:</i>		
Term loans	142,160	144,931
Less: short term portion of term loans	(47,771)	(32,771)
Long term portion of loan	94,389	112,160
<i>Short term borrowings:</i>		
Short term loans	232,935	323,508
Current portion of term loans	47,771	32,771
	280,706	356,279
	375,095	468,439

- (i) All facilities bear interest rates at prevailing market rates.
- (ii) Bank borrowings are secured by:
- Demand promissory note for AED 256 million in favor of the bank as a security against the bank facilities.
 - Registered mortgage & assignment of insurance policy over an investment property for an amount of AED 92 million. (note 10)
 - Assignment of insurance policy in favor of one of the banks in UAE for an amount of AED 130 million in respect of plant and machinery on Paari Passu basis. (note 9)
 - Registered pledge and assignment of insurance policy over captive power plant for an amount of AED 100 million in favor of one of the banks in UAE. (note 9)
 - Registered pledge and assignment of insurance policy over waste heat recovery plant for an amount of AED 30 million in favor of one of the banks in UAE. (note 9)
- (iii) Bank borrowing agreements contain various restrictive covenants and require the Group to maintain certain minimum amounts of working capital, equity and financial ratios. Testing for compliance with the financial covenants is done annually on 31 December. These covenants were met by the Group as at 31 December 2024.
- (iv) The Group has unused credit facilities of AED 194 million (2023: AED 189 million) as at 31 December 2024.
- (v) The Group has short-term borrowing with average interest rate of 6.25% to 7.25% p.a. (2023: 6.5% to 7.5% p.a.) as at 31 December 2024. Interest rates of the terms loans varies from 6.5% to 7.5% (2023: 6.75% to 7.75%)

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

17 BANK BORROWINGS (continued)

Changes in liabilities arising from financing activities are as below;

	<i>1 January 2024 AED'000</i>	<i>Cash flows for the year AED'000</i>	<i>Other AED'000</i>	<i>31 December 2024 AED'000</i>
Short term loans	356,279	(123,344)	47,771	280,706
Long term loans	112,160	30,000	(47,771)	94,389
	<u>468,439</u>	<u>(93,344)</u>	<u>-</u>	<u>375,095</u>
	<i>1 January 2023 AED'000</i>	<i>Cash flow for the year AED'000</i>	<i>Other AED'000</i>	<i>31 December 2023 AED'000</i>
Short term loans	320,478	3,030	32,771	356,279
Long term loans	94,931	50,000	(32,771)	112,160
	<u>415,409</u>	<u>53,030</u>	<u>-</u>	<u>468,439</u>

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

18 PROVISION FOR STAFF TERMINAL BENEFITS

	<i>2024 AED'000</i>	<i>2023 AED'000</i>
At 1 January	31,722	31,100
Provision made during the year (note 8)	3,876	1,747
Payments made during the year	<u>(2,219)</u>	<u>(1,125)</u>
At 31 December	<u>33,379</u>	<u>31,722</u>

19 SHARE CAPITAL

	<i>2024 AED'000</i>	<i>2023 AED'000</i>
<i>Authorised, issued and fully paid up:</i>		
608,253,746 shares of AED 1 each (2023: 608,253,746 shares of AED 1 each)	<u>608,254</u>	<u>608,254</u>

20 STATUTORY RESERVE

In accordance with the UAE Federal Decree Law No. (32) of 2021 and the Company's Articles of Association, a minimum of 10% of the net profit of the Company is allocated every year to a non-distributable statutory reserve. Such allocation may be ceased when the statutory reserve equals half of the paid up share capital of the Company. This reserve is not available for distribution except in circumstances stipulated by the law. The Board of Directors have not proposed any further transfer to the statutory reserve as the reserve is in excess of 50% of the paid-up share capital (2023: 50%).

21 GENERAL RESERVE

As per Company's Articles of Association, 10% of the profit for the year has to be transferred to general reserve until the reserve reaches 25% of the paid-up share capital. This reserve is available for distribution at the recommendation of the directors and approval of shareholders in an ordinary general meeting. The Board of Directors have not proposed any further transfer to the general reserve as the reserve is in excess of 25% of the paid-up share capital (2023: 25%).

22 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Group and the weighted average number of ordinary shares outstanding as at 31 December 2024, calculated as follows:

	2024	2023
Profit for the year (AED'000)	31,712	3,678
Weighted average number of shares outstanding ('000)	608,254	608,254
Basic and diluted profit per share (AED)	0.052	0.006

23 CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2024, the Group has issued guarantees relating to performance bonds amounting to AED 1,606 thousand (2023: AED 1,673 thousand), from which it is anticipated that no material liabilities will arise. The group has commitments towards letter of credit at the reporting date amounted to AED 1,478 thousand (2023: AED 2,344 thousand).

Estimated capital expenditure commitment at the reporting date amounted to AED 12,269 thousand (2023: AED 9,574 thousand). The Group also has commitments of AED 2,500 thousand (2023: AED 4,264 thousand) on account of investments made in securities and funds. The Group has to pay as and when calls are made by the fund managers/investee companies.

24 DIVIDEND

Proposed cash dividend

At the Board of Directors Meeting held on 5 March 2025, the directors have proposed AED 30,413 thousand cash dividend at AED 0.05 per share in respect of the year ended 31 December 2024 (31 December 2023: Nil), which is subject to the approval by the shareholders in the annual general meeting.

25 SEGMENT REPORTING

The Group has broadly two major reportable segments as described below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

<i>Manufacturing segment</i>	includes cement, paper sacks and plastic rope products.
<i>Investment segment</i>	includes investment and cash management for the Group's own account.

Investment segment is organised into two business units as follows:

- Investment and letting out properties in UAE.
- Investment in public and private equities and funds, mainly in GCC and Asia.

The above segments are the basis on which the management monitors the operating results of these segments for the purpose of making decisions about resource allocation and performance assessment. Transactions between segments are eliminated on consolidation.

Sharjah Cement & Industrial Development Co. (PJSC) and its subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

25 SEGMENT REPORTING (continued)

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
<i>Manufacturing</i>		
Revenue	680,146	634,468
Cost of sales	(610,765)	(598,294)
	<hr/>	<hr/>
Gross profit	69,381	36,174
Miscellaneous income	2,888	2,248
Expenses	(18,767)	(17,920)
	<hr/>	<hr/>
Net segment results	53,502	20,502
	<hr/> <hr/>	<hr/> <hr/>
<i>Investment</i>		
Income from investment in private and public equities and funds	13,667	7,568
Income from investment properties	13,362	10,572
Impairment reversal on investment properties	-	14,846
Depreciation	(7,874)	(7,852)
	<hr/>	<hr/>
Net segment results	19,155	25,134
	<hr/> <hr/>	<hr/> <hr/>
Finance costs	(29,121)	(31,977)
Unallocated expenses - Head office	(9,773)	(9,981)
Income tax expense	(2,051)	-
	<hr/>	<hr/>
Profit for the year	31,712	3,678
	<hr/> <hr/>	<hr/> <hr/>

Other information

At 31 December 2024	<i>Manufacturing</i> <i>AED'000</i>	<i>Investment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Segment assets	1,478,814	494,863	1,973,677
	<hr/>	<hr/>	<hr/>
Segment liabilities	613,304	15,753	629,057
	<hr/>	<hr/>	<hr/>
Depreciation	71,534	7,874	79,408
	<hr/>	<hr/>	<hr/>
Capital expenditure	78,604	3,746	82,350
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2023	<i>Manufacturing</i> <i>AED'000</i>	<i>Investment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Segment assets	1,449,552	485,596	1,935,148
	<hr/>	<hr/>	<hr/>
Segment liabilities	636,364	-	636,364
	<hr/>	<hr/>	<hr/>
Depreciation	74,633	7,852	82,485
	<hr/>	<hr/>	<hr/>
Capital expenditure	40,356	7,936	48,292
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

25 SEGMENT REPORTING (continued)

Geographical information

The following table presents revenue, asset and liability information regarding geographic segments for the years ended 31 December 2024 and 31 December 2023.

At 31 December 2024	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue	583,496	96,650	680,146
Investment income	16,584	2,572	19,156
At 31 December 2023	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Revenue	503,459	131,009	634,468
Investment income	9,872	416	10,288
At 31 December 2024	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Assets	1,851,425	122,252	1,973,677
Liabilities	552,523	76,534	629,057
Capital expenditure	80,586	1,764	82,350
At 31 December 2023	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
Assets	1,806,588	128,560	1,935,148
Liabilities	564,765	71,599	636,364
Capital expenditure	44,324	3,968	48,292

26 RELATED PARTIES TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significant influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and mutually agreed with the related parties.

Compensation of key management personnel is as follows:

	<i>2024 AED'000</i>	<i>2023 AED'000</i>
Short term employee benefits and end of service benefits	7,589	8,053
Number of key management personnel	14	15
Directors' fees (note below)	1,500	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

26 RELATED PARTIES TRANSACTIONS (continued)

In the subsequent period, at the Board of Directors meeting held on 5 March 2025, the directors proposed an appropriation for the directors' fee amounting to AED 1,500 thousand for the year ended 31 December 2024 which is subject to the approval by the shareholders in the annual general meeting. At the Annual General Meeting held on 21 April 2024, the shareholders approved the directors' fee amounting to AED Nil for the year ended 31 December 2023.

There are no related party transactions during the year except mentioned above and there are no balances due to / due from related parties as on 31 December 2024.

27 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Financial assets		
<i>Loans and receivables</i>		
Trade and other receivables (excluding advances & prepayments) (note 14)	252,868	229,995
Cash and bank balances (Note 15)	42,967	19,546
	295,835	249,541
FVTPL financial assets (Note 12)	38,310	31,762
FVTOCI financial assets (Note 12)	167,253	157,169
	501,398	438,472
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables (excluding deposits and advances)	209,006	130,836
Borrowings (note 17)	375,095	468,439
	584,101	599,275

28 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk;
- liquidity risk; and
- market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Board Audit and Compliance Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies 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 maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

28 FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

Board Audit and Compliance 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. Board Audit and Compliance Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to Board Audit and Compliance Committee.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.

Trade receivables

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. Exposures within each credit risk grade are segmented by nature of customers' operations and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP forecast and industry outlook.

Cash and cash equivalents

The Group held cash and cash equivalents of AED 42,967 thousand as at 31 December 2024 (2023: AED 19,546 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A1 to Baa3, based on Moody's corporation ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and accordingly, the expected credit loss is negligible.

The financial assets exposed to credit risk are as follows:

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024 AED'000	2023 AED'000
Trade receivables (less provision for ECL)	250,723	228,568
Deposits and other receivables	2,145	1,427
Bank balances	42,477	18,988
	<u>295,345</u>	<u>248,983</u>

The maximum exposure to credit risk for other financial assets and trade receivables at the reporting date by geographic region was:

	2024 AED'000	2023 AED'000
Domestic	283,404	231,189
Other regions	11,941	17,794
	<u>295,345</u>	<u>248,983</u>

28 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Impairment losses

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Credit quality of a customer is assessed based on a credit rating and individual credit limits are defined in accordance with this assessment.

The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually and monitoring outstanding receivables.

Expected credit loss assessment

An impairment analysis is performed at each reporting date to measure expected credit losses. The Group uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

	<i>Gross value 2024 AED'000</i>	<i>Allowances for expected credit losses 2024 AED'000</i>	<i>Expected credit loss (ECL)</i>
Secured trade receivables	168,696	-	0.00%
Unsecured trade receivables	88,583	6,556	7.40%
Specific provision on trade receivable	2,013	2,013	100.00%
	<u>259,292</u>	<u>8,569</u>	
	<i>Gross value 2023 AED'000</i>	<i>Allowances for expected credit losses 2023 AED'000</i>	<i>Expected credit loss (ECL)</i>
Secured trade receivables	147,322	-	0.00%
Unsecured trade receivables	86,452	5,206	6.02%
Specific provision on trade receivable	2,013	2,013	100.00%
	<u>235,787</u>	<u>7,219</u>	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast GDP of respective countries in which the Group operates.

28 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents and other liquid investments at an amount in excess of expected cash outflows on financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including interest payments:

	<i>Carrying amount AED'000</i>	<i>Contractual cash flows AED'000</i>	<i>Less than 1 year AED'000</i>	<i>More than 1 year AED '000</i>
At 31 December 2024				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	220,435	220,435	220,435	-
Bank borrowings	375,095	444,316	307,195	137,121
	<u>595,530</u>	<u>664,751</u>	<u>527,630</u>	<u>137,121</u>
	<i>Carrying amount AED'000</i>	<i>Contractual cash flows AED'000</i>	<i>Less than 1 year AED'000</i>	<i>More than 1 year AED '000</i>
At 31 December 2023				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	136,203	136,203	136,203	-
Bank borrowings	468,439	513,080	389,274	123,806
	<u>604,642</u>	<u>649,283</u>	<u>525,477</u>	<u>123,806</u>

Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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 is not exposed to significant currency risk as the Group has transactions denominated in AED, or USD, a currency to which AED is currently pegged.

Interest rate risk

Interest rate risk is the risk that value of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is primarily on its borrowings with banks. The interest rate on the Group's financial instruments is based on market rates. At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	<i>2024 AED'000</i>	<i>2023 AED'000</i>
<i>Variable rate instruments</i>		
Financial liabilities	<u>375,095</u>	<u>468,439</u>

28 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Interest rate risk (continued)

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. When appropriate, the Group enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

		<i>Contractual cash flows AED'000</i>	
		<i>Less than 1 year</i>	<i>More than 1 year</i>
31 December 2024	Nominal Amount	280,706	94,389
	Fair value assets (liabilities)	307,195	137,121
31 December 2023	Nominal Amount	356,279	112,160
	Fair value assets (liabilities)	389,274	123,806

Fair value sensitivity analysis for fixed interest rate instruments

The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss, therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

		<i>Profit or loss</i>	
		<i>100 bp Increase AED'000</i>	<i>100 bp decrease AED'000</i>
31 December 2024		(3,751)	3,751
31 December 2023		(4,684)	4,684

Equity price risks

Equity price risk arises from marketable securities measured at fair value. The Group is exposed to equity price risks arising from quoted investments. Refer note 12 for the equity price sensitivity analysis of these investments.

Fair values

The management of the Group believes that fair value of its financial assets and liabilities are not materially different from the carrying amount at the reporting date. Also refer notes 12 and 17.

Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 2023. Capital comprises share capital, reserves, fair value reserves and accumulated profits. As at 31 December 2024, the Group's capital is measured at AED 1,344,620 thousand (2023: AED 1,298,784 thousand).

28 FINANCIAL RISK MANAGEMENT (continued)

Capital Risk Management (continued)

	<i>1 January 2024 AED'000</i>	<i>Cash inflows AED'000</i>	<i>Cash outflows AED'000</i>	<i>31 December 2024 AED'000</i>
Short term loan	323,508	564,278	(654,851)	232,935
Term loans	144,931	25,000	(27,771)	142,160
	<u>468,439</u>	<u>589,278</u>	<u>(682,622)</u>	<u>375,095</u>
	<u><u>468,439</u></u>	<u><u>589,278</u></u>	<u><u>(682,622)</u></u>	<u><u>375,095</u></u>
	<i>1 January 2023 AED'000</i>	<i>Cash inflows AED'000</i>	<i>Cash outflows AED'000</i>	<i>31 December 2023 AED'000</i>
Short term loan	271,534	690,404	(638,430)	323,508
Term loans	143,875	50,000	(48,944)	144,931
	<u>415,409</u>	<u>740,404</u>	<u>(687,374)</u>	<u>468,439</u>
	<u><u>415,409</u></u>	<u><u>740,404</u></u>	<u><u>(687,374)</u></u>	<u><u>468,439</u></u>

29 MEASUREMENT OF FAIR VALUES

'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.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, 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 maximise the use of relevant observable inputs and minimise 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.

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 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.

29 MEASUREMENT OF FAIR VALUES (continued)

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market. The fair values are based on market price at the valuation date. The Group's investment in held for trading quoted equity securities are classified in this category.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less active; broker quotes; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

In certain cases, the valuation is also determined based on fund manager valuation reports and project progress reports. The Group's investment in unquoted equity securities and funds are classified in this category. Generally, a change in underlying comparative data used for estimating fair value is accompanied by change in the fair value.

The management has reviewed fair value of investments at FVTOCI and accordingly, a fair valuation gain of AED 15,772 thousand has been recorded during the current year in other comprehensive income (2023: AED 20,860 thousand).

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>	<i>Total AED '000</i>
At 31 December 2024				
Financial Asset				
Investments carried at FVTOCI	135,172	-	32,081	167,253
Investments carried at FVTPL	38,310	-	-	38,310
Non-Financial Asset				
Investment properties	-	-	457,180	457,180
	<u>173,482</u>	<u>-</u>	<u>489,261</u>	<u>662,743</u>
At 31 December 2023				
Financial Asset				
Investments carried at FVTOCI	126,733	-	30,436	157,169
Investments carried at FVTPL	31,762	-	-	31,762
Non-Financial Asset				
Investment properties	-	-	430,706	430,706
	<u>158,495</u>	<u>-</u>	<u>461,142</u>	<u>619,637</u>

30 MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

Investment in securities

Investments are classified as either investments carried at FVTOCI or fair value through profit or loss. In judging whether investments are held for trading or investments carried at FVTOCI, the management has considered the detailed criteria for determination of such classification as detailed in accounting policies. The management is satisfied that its investments in securities are appropriately classified as either investments carried at FVTOCI or fair value through profit or loss. Valuation of unquoted equity investments is normally based on one of the following:

- Recent arm's length market transactions;
- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for the items and with similar terms and risk characteristics; or
- Other valuation models

Estimate of 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 29 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.

Estimating useful lives of investment properties and own-use property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its investment properties and property, plant and equipment. The Group has carried out a review of the residual values and useful lives as at 31 December 2024 to assess the reasonableness of such estimates. Management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence and any write down for net realizable value adjustment on a regular basis. In determining whether a provision for obsolescence should be recorded in profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value for such product. Provision for net realizable value write down is made where the net realizable value is less than cost based on best estimates by management. The provision for obsolescence of inventory is based on its ageing and the past trend of consumption.

Impairment losses on receivables

The Group reviews its receivables to assess impairment at least on an annual basis. The Group's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be recognised in profit and loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made in accordance with 'expected credit loss' (ECL) model. This will requires considerable judgment about how the changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Impairment losses on property, plant and equipment and investment properties

The Group reviews its property, plant and equipment and investment properties to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment and investment properties. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment and investment properties.

31 SOCIAL CONTRIBUTION

During the year, the Group made social contributions of AED 826 thousand (2023: AED 806 thousand).

Sharjah Cement & Industrial Development Co.

(PJSC)

Established by the Emiri Decree No. 31/79

Paid up Capital AED 608,253,747

Reg. No. 312



شركة الشارقة للأسمنت والتنمية الصناعية

(شركة مساهمة عامة)

تأسست بموجب المرسوم الأميري ٧٩/٣١

رأس المال المدفوع ٦٠٨,٢٥٣,٧٤٧

رقم السجل التجاري ٣١٢



CORPORATE GOVERNANCE REPORT

2024



SHARJAH CEMENT & INDUSTRIAL DEVELOPMENT CO.
(PJSC)



٢٠٨٢، برج الحصن الطابق ١٤، شارع البنوك الرولة - الشارقة، الامارات العربية المتحدة

P.O. Box 2083, Al Hisn Tower - 14th Floor, Bank Street, Rolla - Sharjah, United Arab Emirates

هاتف: ٠٣-٥٦٨٦١٠٢/٥٦٨٤٦٨١/٥٦٩٥٦٦٦-٠٦، فاكس: ٥٦٨٣١٧١، 06-5695666/5684681/5686102-03, Fax: 5683171

E-mail: scidcho@eim.ae, Website: www.sharjahcement.com

1. Measures taken to complete the governance system during the year 2024:

The Board of Directors of "Sharjah Cement and Industrial Development Company" (J.S.C.) - (the Board) confirms that by reviewing the renewed legislation, the principles and guidelines of the decisions of the Board of Directors of the Securities and Commodities Authority "the Authority" attached to Resolution No.: (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies and its subsequent amendments "Governance Resolution", are fully aware that it falls under and establishes the desired target of public joint stock companies in terms of the mandatory implementation and application of these legislations and regulatory guidelines "under penalty of liability", which obliges the Board of Directors of the company to develop the strategy and supervision necessary for the company's work, as the Board is one of the strategic assets in the company. Therefore, the effectiveness of the Board is an important element for the success of the company through its application of effective practices in the field of governance, which contributes to providing better protection for shareholders Following the commitment to the principles of transparency, disclosure, accountability, responsibility and justice, in order to achieve and enhance the soundness of the company's decision-making mechanism - which is the highest goals and directives of the Authority - and by controlling the relations between the main parties in the company represented by the members of the Board of Directors, the Executive Management, shareholders and all stakeholders, the activation and implementation of those principles and provisions approved by the decision issued by the Chairman of the Board of Directors of the Authority No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies and subsequent decisions amending it are achieved. In the context of enhancing the company's corporate responsibility, ensuring administrative excellence and administrative accountability, and activating the role of the Board of Directors and its committees in working to develop the capabilities of these committees in a way that enhances the mechanism of sound decision-making in the company, this reveals and confirms that the accountability and oversight mechanisms followed by the Board in accordance with the approved controls of the Code of Professional and Ethical Conduct, the charters and regulations of the committees organizing their work, and other internal regulations approved in conducting the company's business within the framework of the target of the company's strategy and monitoring this on the performance of the executive management and company employees, reveals the company's compliance with the obligations of Resolution No. (3/R.M) of 2020 and its subsequent amendments, regarding the adoption of the Governance Guide for Public Joint Stock Companies.

In the context of the measures taken by the "Board" to measure the effectiveness of the fullest application of the company's governance system in terms of the periodic review of the governance framework at the company's various levels, we review below what the company has adopted for this purpose:

- (a) **The company's commitment to the legal reference and regulatory guidelines in the decision of the Securities and Commodities Authority No.: 3/R.M) of 2020** (regarding the adoption of the Governance Guide for Public Joint Stock Companies) and the company's articles of association and the provisions of Federal Decree-Law No. (32) of 2021 regarding commercial companies.

- (b) **The company's commitment to the guidelines of the Authority's decision No.: (3/R.M) of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies in forming the company's board of directors.**
- (c) **The company's commitment to Resolution No. (8/R.M) of 2021, amending Article (9)/Clause (3) of the "Authority's Resolution" No. (3/R.M) of 2020 regarding women's representation in the formation of the Board of Directors in any case, whether in appointment, election, vacancy of a position, or increase in the number of members of the Board.**
- (d) And **the company's commitment to Resolution No. (6/R.M) of 2022** of the "Authority" regarding:
- The company's articles of association shall adopt the specified percentage of independent non-executive board members on the board, and not less than one-third of the board members.
 - And that the General Assembly may appoint one or more representatives of the shareholders to be nominated by the Board of Directors - according to the company's need - to attend the meetings of the General Assembly and vote on its decisions on behalf of the shareholders and in accordance with the controls included in the resolution.
- (e) **The company's commitment to the provisions of Resolution No. (2/R.M) of 2024**, which includes "amending" and "adding" a number of articles of "Authority Resolution" No. (3/R.M) of 2020 regarding the Governance Guide for Public Joint Stock Companies within the framework of the requirements of deletion, amendment and correction accordingly.
- (f) **The company's commitment to "Authority Resolution" No.: (16/R.M) of 2024**, which includes new article to Resolution No.: 3/R.M) of 2020, by adopting Annex No. (1) regarding the company's permission to appoint an organizer for general assemblies to organize its general assembly meetings in accordance with the provisions contained in Annex No. (1) "which came into effect on 1/1/2025.

As referred to above, the most important axes of the targets in activating and achieving "Authority Resolutions regarding the formation of the "Board and the work of the Board" in the company.

(g) At the level of the Board's work during the year 2024:

The Board of Directors recognizes that the Board represents shareholders and that the Board is responsible to them for creating and achieving sustainable value through effective business governance as a decider and approver of the strategic directions and main objectives of the company, including internal control systems and controls, and approving the governance decision guidelines by adopting the basic elements of governance in the company so that they do not conflict with the mandatory provisions of the governance guide. The Board is concerned with the continuity of monitoring and follow-up in terms of updating the latest regulatory requirements represented in the regulations and charters that form the general framework of the Board's work objectives and responsibilities, ((the Board of Directors' Charter, the Audit and Compliance Committee Charter, the Nominations and Remuneration Committee Charter, the Investment Committee Charter, the Code of Professional and Ethical Conduct, and Authorization Bonds)) and ensuring the periodic review of their effectiveness. The Board's role also includes, but is not limited to, monitoring the policy, standards, and procedures organizing and specifying the membership of the Board, in line with the governance decision guidelines in this regard. The Council also reviews the approved policies that regulate the relationship with

stakeholders to protect their rights and to establish all of that and reflects it in the annual governance report, which confirms compliance with the requirements of the "Governance Resolution".

- (h) The full compliance of the company's board of directors with the mechanisms for holding meetings of the board and its permanent committees, and updating the aforementioned "board" charters approved for its work and regulating the work of the committees and following up on the recommendations of the reports submitted by them to the board during the year.
- (i) The board's keenness and commitment and the company's obligations to comply with the applicable systems in terms of disclosing periodic financial reports, material information, ownerships of insiders and their relatives, dealings of related parties with the company and the benefits that members of the board of directors and senior executive management may enjoy and other disclosures required within their time periods specified in the decisions of the authority and the financial markets in the country in a way that ensures transparency and fosters the general investment climate.
- (j) Monitoring and ensuring the company's compliance with periodic updating and regular disclosure of the company's insider register, which confirms the commitment to the directives of the State's regulatory authorities and the revision of the company's professional and ethical conduct regulations in terms of the confidentiality of information entrusted to them by the company or its clients and the prohibition of leaking such essential internal information - according to the regulatory directives - that affects and distinguishes some from others in dealing in the company's shares, which enhances investor confidence.
- (k) Continuously directing the company with what is decided by the board regarding undertaking all social, environmental and institutional responsibilities required by the directives regulating this matter in the UAE.

The board, by its commitment to the controls and directives of the "Governance Decision" and its follow-up of the latest amendments and updating the company's articles of association in conjunction, confirms its fundamental commitment to achieving the company's public interest and the special rights of shareholders.

2. Transactions of Board members, their spouses and children in the company's securities during the year 2024:

Name	Position / Relationship	Shares owned on 31/12/2024	Total Purchase	Total Sale
Mr. Othman Mohamed Sharif Zaman	Chairman of Board of Directors	998,870	N/A	N/A
Dr. Saeed Abdullah Jumah Al-Mutawa	Vice Chairman	N/A	N/A	N/A
H.E. Abdul Rahman Mohammed Al Owais	Member	N/A	N/A	N/A
Mr. Omar Ibrahim Abdullah Al-Mulla	Member	N/A	N/A	N/A
Mr. Rashid Abdullah Muhammad Ali Burehama	Member	N/A	N/A	N/A
Mr. Moh. Obaid R. AL Shamsi	Member	N/A	N/A	N/A

Mr. Nawaf Abdullah Muhammad Al-Rifai	Member	6.430	N/A	N/A
Mr. Mohamed Ahmed Omar Al-Karbi	Member	185,000	N/A	N/A
Ms. Ghaya Khalid Khayyal	Member	N/A	N/A	N/A

3. Formation of the Board of Directors:

In implementation of the directives of Article (9) of the Chairman of the Board of Directors of the Authority's Decision No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies and taking into account the subsequent amending decisions (Decision No. (8/R.M) of 2021 - and Decision No. (6/R.M) of 2022), the current Board of Directors includes (9) nine for the "2023-2026" session. The female element was represented on the Board in the current Board session. Their qualities were emphasized in accordance with the directives of Article "9" of the Governance Guide.

(a) Statement of the formation of the current Board of Directors:

Srl.	Name	Position	Category	Experience and qualifications	Membership beginning since
1-	Mr. Othman Moh. Shareif Zaman	Chairman of Board of Directors	Non- Executive Non-Independent	* Bachelor of Industrial Engineering * An expert in financial and banking affairs.	1996
2-	Dr. Saeed Abdullah Al Mutawa	Vice President	Non-Executive/Independent	* Diploma in Business Admin.-Arizona, USA. * Member of the National Board (2015-2019). * Member of the International Parliament (2017-2019) * Collaborating lecturer at (University of Sharjah, Center for Continuing Education and Community Service. (2018-2019). * Vice President of the Asian Parliamentary Union. (2016-2018). * Chairman of the Financial Committee of the Asian Parliament (2016-2018). * Member of the Board of Directors of the Emirates Development Bank (2013-2016). * Director General of the Office of His Highness	2020





				<p>the Crown Prince - Sharjah (2008-2009).</p> <p>* Secretary-General of the Executive Board of the Government of Sharjah (1998-2008).</p> <p>* Department of Finance - Government of Sharjah (1990-1998).</p> <p>* Director of Financial Aid Department. (1996-1998).</p> <p>* Head of the Government Accounts Department (1990-1994)</p>	
3-	H.E. Abdul Rahman Moh. Al Owais	Member	Independent	* B.sc in Accounting, UAE University	2017
4-	Mr. Omar Ibraheim Abdullah Almulla	Member	Non-Executive/Independent	<p>* BA Management of Business - Higher Colleges of Technology.</p> <p>* *Master of Science in Banking and Finance - British University - Dubai</p>	2020
5-	Mr. Rashid Moh. Burehaima	Member	Non-Executive/Independent	* Bachelor of Business Administration - Portland State University – USA	2020
6-	Mr. Mohamed Obaid Rashid Al Shamsi	Member	Independent	* Bachelor of Business Administration -Institute Superieur de Gestion	2023
7-	Mr. Nawaf Abdullah Al Refae	Member	Independent	* Bachelor of Business Administration - Marketing - Kuwait University	2017
8-	Mr. Mohamed Ahmed Omar Al Kurbi	Member	Independent	<p>* Bachelor of Science in Civil Engineering "American University - Sharjah".</p> <p>* Master's degree in Business Administration, "UAE University, Abu Dhabi".</p>	2017





9-	Ms. Ghaya Khalid Khayyal	Member	Non-Executive	<ul style="list-style-type: none"> * Bachelor of Quality control-Higher College of Tech. * Master's Degree in Business – Sharjah University 	2023
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(b) Names and positions of members of the Board of Directors in other joint stock companies / government / other commercial / important bodies:

Srl.	Name	Statement of membership in other companies / position in important regulatory / governmental / commercial firms
1-	Mr. Othman Mohamed Sharif Abdullah	Member of the Board of Directors of Sharjah Islamic Bank
2-	Mr. Dr. Saeed Abdullah Al-Mutawa	Member of the Board of Directors of the Sharjah Social Security Fund.
3-	H.E. Abdul Rahman Mohammed Nasser Al Owais	<ul style="list-style-type: none"> * Member of the council of Ministers - Minister of Health, * Chairman of the Board of Directors of Sharjah Islamic Bank. * Member of the Board of Trustees of the "Sultan Bin Ali Al Owais Cultural Foundation"
4-	Mr. Omar Ibrahim Abdullah Al-Mulla	<ul style="list-style-type: none"> * Chairman of the Board of Directors of the Sharjah Hamriyah Independent Energy Company. * Executive Director of the Investment and Business Partnerships Sector - Sharjah Asset Management Company. * Member of the Sports Marketing and Investment Committee - Sharjah Sports Board. Director in Danna Gas Co.
5-	Mr. Rashid Abdullah Mohammed Burehaima	Director of Business and Partnerships - Sharjah Asset Management Company.
6-	Mr. Mohamed Obaid Rashid Alshamsi	<ul style="list-style-type: none"> * Director, GM-Shj.Social Security Fund, Director in Investment Bank * Director in Council of Trustees- Qasimiya University
7-	Mr. Nawaf Abdullah Al-Refae	<ul style="list-style-type: none"> * Director in Board of Ras Al Khaimah White Cement and Building Materials Company. * Chairman of the Board of Directors of Kamco Investment Company – Dubai * Member of the Board of Directors of Mashaer Holding Company - Kuwait. * Chairman and CEO of Al-Nawadi Holding Company - Kuwait





		* Member of the Board of Directors of the Kuwaiti Syrian Holding Company - Kuwait.
8-	Mr. Mohamed Ahmed Omar Al-Karbi	Member of the Board of Directors of Al Mushrif Cooperative Society - Abu Dhabi
9-	Ms. Ghaya Khalid Khayyal	-----

- Percentage of female representation on the Board of Directors for the year 2024:

In accordance with the provisions of Resolution No. (8/R.M) of 2021 amending Resolution No. (3/R.M) of 2020 regarding the Governance Guide, female representation was included in the Board of Directors for the session (2023-2026). The company affirms its permanent commitment and adoption of the gender diversity policy directions on the company's Board of Directors and working to motivate and encourage qualified female candidates to run for membership on the Board in the future, in implementation of the objectives of the governance decision.

- A statement of the bonuses, allowances and fees received by the members of the Board of Directors:

Determining the bonus of the members of the Board of Directors of the company falls under the tasks of the existing Nominations and Remuneration Committee based on the directives of Article "29" of the Authority's Resolution No.: 3 (R.M.) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies, amended by Resolution No.: (2/R.M.) of 2024, and Article (57) of the Company's Articles of Association, which allocates bonus to the members of the Board of Directors an amount not exceeding (10)% of the net profit for the ended fiscal year after deducting depreciation and reserves. The company may also pay expenses, fees, an additional bonus or a monthly salary to the extent decided by the Board of Directors to any of its members if that member works in any committee or makes special efforts or performs additional work to serve the company in addition to his normal duties as a member of the Board of Directors of the company. According to the significance of Article "29" of the Governance Resolution, as amended by Governance Resolution (2/R.M) of 2024 regarding the Governance Guide, with regard to the remuneration of the Board of Directors, Clause "2" stipulated that - as an exception - a member of the Board of Directors may be paid a fee in the form of a lump sum not exceeding (200,000) two hundred thousand dirhams, pending approval by the company's articles of association and the approval of the company's general assembly in the event of:

- The company does not achieve profits.
- If the company achieves profits and the share of the Board member from those profits is less than (200,000) two hundred thousand dirhams, in which case it is not permissible to combine the remuneration and fees.

1. Total remuneration of the Board of Directors members for the year 2023:

- No remuneration has been allocated to the members of the Board of Directors of the company for the year 2023.

2. Proposed Board of Directors' remuneration for the year 2024, which will be presented to the Annual General Assembly for approval:

- Decision has not been made yet, and the Board of Directors will discuss the proposed recommendation to the Annual General Assembly for the year 2024 regarding the Board of Directors' remuneration for the year 2024, and the report will be updated accordingly.

3. Statement of details of the allowances for attending the sessions of the Board's committees for the fiscal year 2024:

- No allowances for attending committee meetings were paid or additional salaries or fees were allocated to any member during the year 2024

4. Details of allowances or salaries received by members of the Board of Directors other than committee attendance allowances for the year 2024:

- Members of the Board of Directors did not receive any allowances for attending meetings of the Board and/or its committees during the year 2024 according to the following statement:

Srl.	Name	Name of the Committee	Value of the allowance	Number of meetings
1-	Dr. Saeed Abdullah AlMutawa (Chairman)	* Audit and Compliance * Investment Committee	NA	8
2-	H.E. Abdul Rahman AL Awais (Chairman)	* Remuneration & Nominations Committee	NA	2
3-	Mr. Omar Ibraheim Almula	* Audit and Compliance Committee * The Remuneration Nominations Committee	NA	8
4-	Mr. Rashid Abdullah Burehaima	* Remuneration & Nominations Committee * Investment Committee	NA	6
5-	Mr. Nawaf Abdalla Al-Refae	* Remuneration & Nominations Committee *	NA	1
5-	Mr. Mohd. Obaid Rashid Alshamsi	* Investment Committee	NA	2
6-	Mr. Moh. Ahmed Omar Karbi	* Audit and Compliance Committee * Remuneration & Nominations Committee	NA	6
7-	Ms. Ghaya Khalid Khayyal	* Audit & Compliance Committee * Remuneration & Nominations Committee	NA	6

c. The number of meetings of the Board of Directors during the fiscal year, 2024 the dates of the meetings and attendance:

- The company's board of directors held (4) meetings during the year 2024 as follows:

Name	21 Mar 2024	14 May 2024	13 Aug 2024	12 Nov 2024
Mr. Othman Moh. Shareif Zaman	✓	✓	✓	✓
Dr. Saeed Abdullah Juma Al	✓	✓	✓	✓
H.E. Abdul Rahman Moh. Al Owais	✓	Apology	✓	✓
Mr. Omar Ibrahim Al mulla	✓	✓	✓	✓
Mr. Rashid Abdullah Burehaima	✓	✓	✓	✓
Mr. Mohd. Obaid Rashid Alshamsi	✓	✓	✓	✓
Mr. Nawaf Abdullah AlRefae	Apology	✓	✓	✓
Mr. Moh. Ahmed Omar Kurbi	✓	✓	Apology	✓
Ms. Ghaya Khalid Khayyal	✓	✓	✓	✓

d. Number of the Board's decisions issued by circulation during the fiscal year 2024:

- None

4. Audit and Compliance Committee:

- (a) **Acknowledgment of the Chairman of the Audit Committee of responsibility for the committee's system in the company:**

In implementation of the objectives of the "Governance Resolution" and what it requires in terms of the availability of the necessary knowledge and expertise in financial and accounting matters for the members of the committee and the necessity that among the members of the committee there be someone who is scientifically qualified in the field of accounting or finance and in accordance with all developments in the tasks of the Audit and Compliance Committee according to the amendments attached to Governance Resolution No. (2/R.M) of 2024, and in a manner that confirms the importance of providing independent oversight and assurances regarding integrity in preparing financial reports or internal auditing in the company and in a manner that discloses compliance with the laws and regulatory charters applied internally, **His Excellency Dr. Saeed Abdullah Al-Mutawa, Chairman of the Audit and Compliance Committee, acknowledges his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.**

- (b) **The Audit and Compliance Committee consists of the following Board members:**

(c) The number of meetings held by the Committee during the year 2024, their dates and the personal attendance of the members:

The Audit & Compliance Committee held (4) meetings during the year 2024 as follows:

Srl.	Name	Meeting No.1 20/3/2024	Meeting No.2 13/5/2024	Meeting No.3 12/08/2024	Meeting No.4 11/11/2024
1-	Dr. Saeed Abdullah Al-Mutawa	✓	✓	✓	✓
2-	Mr. Omar Ibrahim Al-Mulla	✓	✓	✓	✓
3-	Mr. Mohamed Ahmed Al-Karbi	✓	Apology	✓	✓
4-	Ms. Ghaya Khalid Khayyal	✓	✓	✓	✓

(d) Responsibilities and tasks of the committee according to the directives of Article "61" of the Authority's decision regarding the Governance Guide 2020 and its amendments:

- Resolution No. (3/R.M) of 2020 issued by the Securities and Commodities Authority "regarding the adoption of the Governance Guide for Public Joint Stock Companies" and amended by Resolution No.: (2/R.M) of 2024 emphasized the role and importance of the Audit Committee when it required all its members to have knowledge and expertise in financial and accounting matters and previous experience for at least one of its members in the field of accounting or financial matters, as it is the most important permanent committee emanating from the Board of Directors and supporting the Board in the responsibilities assigned to it by the company's shareholders, most notably those related to the company's financial and accounting policies and procedures.
- The resolution stressed that the committee's tasks and duties should include, but are not limited to:
- Monitoring the integrity of the company's financial statements and its "annual, semi-annual and quarterly" reports and reviewing them as part of its regular work during the year, and it should focus in particular on the following:
 - Any changes in accounting policies and practices.
 - Highlighting aspects subject to management's discretion.
 - Substantial amendments resulting from the audit.
 - Assuming the continuity of the company's work.
 - Adhering to the accounting standards determined by the Authority.
 - Adhering to the rules of listing and disclosure and other legal requirements related to the preparation of financial reports.



- Coordinating with the company's board of directors, senior executive management, and the financial manager or the manager performing the same tasks in the company in order to perform its duties.
- Consider any important and unusual items that are or should be included in those reports, accounts and items outside the balance sheet and must pay due attention to any issues raised by the company's financial manager or the manager performing the same duties or the compliance officer or the auditor.
- Submit a recommendation to the Board of Directors regarding the selection, resignation or dismissal of the auditor. In the event that the Board of Directors does not approve the recommendations of the Audit Committee in this regard, the Board of Directors must include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons that prompted the Board of Directors not to adopt them.
- Develop and implement the policy for contracting with the auditor and submit a report to the Board of Directors specifying the issues that it deems important to take action on, with recommendations for the necessary steps to be taken.
- Ensure that the auditor meets the conditions stipulated in the applicable laws, regulations and decisions and the company's articles of association, and follow up and monitor his independence.
- Meeting with the company's auditor without the presence of any of the senior executive management or its representatives, at least once a year, and discussing with him the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards. Approving the additional work performed by the external auditor for the benefit of the company and the fees he receives for that work.
- Ensuring that the Board of Directors and the Executive Management respond in a timely manner to the inquiries and substantive issues raised by the auditor.
- Reviewing and evaluating the internal audit and risk management systems in the company.
- Ensuring the availability of the necessary resources for the internal audit function and reviewing and monitoring the effectiveness of that management.
- And any other topics determined by the Board of Directors.
- Governance Guide Resolution No. (2/R.M) of 2024 amending Resolution 2020 by adding Article "61" (Audit Committee Report) also required the committee to prepare its annual report on the activities of the Audit Committee, including, but not limited to:
 - (a) The important issues under consideration by the committee regarding the financial statements and how to address these issues.
 - (b) An explanation of how it assessed the independence and effectiveness of the external audit process and the approach followed in appointing or reappointing the external auditor, and information on the length of the term of the current audit firm.



- (c) A statement clarifying the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons for the Board of Directors' failure to accept that recommendation.
- (d) An explanation of how to ensure the independence of the external auditor if he provides services other than the audit of the company's accounts.
- (e) The measures taken or will be taken by the committee to address any shortcomings or weaknesses in the event of any failures in internal control or risk management.
- (f) And what indicates that the committee reviews all reports of medium and high risks issued by the internal audit to determine what actions should be taken if they arise from major failures or weaknesses in internal control.
- (g) Comprehensive information on the corrective remediation plan in the event of material deficiencies in the areas of risk management and internal control systems.
- (h) What indicates that the committee reviews all transactions concluded with related parties and the resulting observations or results and the extent of compliance with the applicable laws in this regard.

(d) Annual Audit Committee Report:

Statement from the Chairman of the Audit and Compliance Committee

As Chairman of the Audit and Compliance Committee of the Board of Directors, I am pleased to present the annual report for the year 2024. The Audit and Compliance Committee held four meetings in 2024 to fulfill its responsibilities in line with its terms of reference and regulatory obligations.

Key Responsibilities and Activities:

- Review the company's financial results for the year 2023 and the external audit reports and quarterly financial statements for the year 2024.
- Ensure the independence and effectiveness of the external auditor.
- Review and recommend external audit fees for Board approval.
- Approve and monitor the 2024 Internal Audit Plan to maintain strong internal governance and controls.

The Audit and Compliance Committee agenda for 2025 will include four meetings focusing on financial integrity, emerging risks, compliance issues, and oversight of internal and external audit.

Key matters considered during 2024

	March	May	Aug.	Nov.
Financial performance, results and external audit				
Review of the Group's financial results and external auditors' report	✓	✓	✓	✓
Review of external audit fees		✓		
Internal audit				
Independence of the internal audit function	✓	✓	✓	✓
Quarterly internal audit report	✓	✓	✓	✓
Review of the internal audit plan for 2024	✓			

I acknowledge my responsibility in performing the duties of the Audit and Compliance Committee effectively.

Dr. Saeed Abdullah Al-Mutawa
Chairman of Audit & Compliance Committee

(e) External Auditor

Responsibilities of the Audit and Compliance Committee of the Board of Directors:

The Audit and Compliance Committee is responsible for overseeing the qualifications, independence and performance of the external auditor, including:

- Establishing selection and rotation policies.
- Recommending the appointment, reappointment or dismissal of the external auditor.
- Reviewing the terms of engagement and audit fees.
- Ensuring the independence and objectivity of the external auditor.
- Monitoring non-audit services to prevent conflicts of interest.

Selection and Independence:

- External Auditor (2024): Ernst & Young (Middle East)
- Years of Service: 5 consecutive years
- Audit Partner Rotation: Every 3 years
- Maximum Firm Term: 6 years (Rotation required in 2026)

Selection Criteria:

- The Audit Committee evaluates the external auditor based on:
- Industry experience and ability to handle the audit.
- Independence, objectivity and professional skepticism.
- Compliance with quality control standards.
- Assessment of the risk of financial misstatement.
- Ensuring the absence of conflicts of interest.



Audit Fees for 2024:

Name of Firm	Ernst & Young (Middle East)
Ernst & Young Partner Auditor:	Mrs. Wardha Ebrahiem
The number of years the partner auditor spent auditing the company's accounts	2 years
Audit fees for the financial statements for the year 2024	230,000
Independent Audit fees for the financial statements and periodic audit	195,000
Fees of other non- audit services provided	N/A

Special non- audit services:

External Auditor didn't provide any non- audit services for the year 2024

Audit Results for 2024:

The external auditor did not express any reservations regarding the financial statements for the year ending December 31, 2024.

Nominations and Remuneration Committee:

Whereas the "Governance Resolution" has required that all members of the Committee have experience and competence in the areas that serve the scope of the Committee's work in terms of financial, legal, administrative , executive expertise and matches with the new developments in the Committee's tasks as disclosed by the amendments attached to Governance Resolution No. (2/R.M) of 2024, which discloses compliance with the target of the Resolution and the regulatory charters applied to the internal targets.

- His Excellency Abdul Rahman Mohammed Al Owais, in his capacity as Chairman of the Nominations and Remuneration Committee, acknowledges** his responsibility for the Committee's system in the company and for his review of the Committee's working mechanism and ensuring its effectiveness.
- The Nominations and Remunerations Committee consists of the members of the Board of Directors whose names are listed below.**
- The Nominations and Remunerations Committee held two ("2" - two) meetings during the year 2024, as follows:**

Srl.	Members	Meeting No. 1 21/3/2024	Meeting No. 2 12/11/2024
1-	H. E. Abdul Rahman Moh. Al Awaise	✓	✓
2-	Mr .Rashid Abdullah Muhammad Ali	✓	✓
3-	Mr. Mohamed Ahmed Al-Karbi	✓	✓
4-	Mr. Nawaf Abdullah AL refai	Apology	✓
5-	Ms. Ghayaa Khaled Mohamed Al Khayat	✓	✓

In accordance with the directives of Article "59" of the Authority's Resolution No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies, and its amendments, the tasks of the Nominations and Remuneration Committee, for example, and not limited to, are as follows:

Developing a policy for candidacy for membership in the Board of Directors and Executive Management, aiming to take into account gender diversity within the formation and encourage women through incentive and training benefits and programs, and informing the Authority of these policies and making any amendments thereto.

Organizing and following up on the procedures for candidacy for membership in the Board of Directors in accordance with the applicable laws and regulations and the provisions of this Resolution.

Verifying the continued availability of membership requirements for members of the Board of Directors on an annual basis.

Ensuring the independence of independent members on an ongoing basis. The committee shall monitor the availability of the conditions of independence of the members, and shall be obligated - when the member is no longer independent - to present the matter to the board to address the member to explain the justifications for the lack of independence and the member's response in this regard, in accordance with the regulatory guidelines that must be observed.

Preparing the policy for granting bonuses, benefits, incentives and salaries to the members of the company's board of directors and its employees and reviewing it annually. The committee shall ensure that the bonuses and benefits granted to the senior executive management are reasonable and commensurate with the company's performance in the long term.

Carry out annual review of the required skills for membership in the board of directors and preparing a description of the capabilities and qualifications required for membership in the board of directors, including determining the time that the member must allocate to the work of the board of directors.

Reviewing the structure of the board of directors and submitting clarifications regarding the changes that can be made.

Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.

Preparing the policy for human resources and training in the company and monitoring its implementation and reviewing it annually.

Ensure that there is an appropriate and updated plan for the continuity and follow-up of the work of the company's senior executives and the heads of the Board of Directors' committees. (According to the latest decision No. (2/R.M) of 2024 amending decision (3/R.M) of 2020 regarding the Governance Guide

In addition to any other topics determined by the Board of Directors.

Committee for the follow-up and supervision of insider transactions:

- a. **Acknowledgment from the person responsible for the system of follow-up and supervision of insider transactions:**
- b. **Mr. Alameldin Gaafar Malik, as the "assigned" and authorized person to undertake the follow-up and supervision of insider transactions, acknowledges his responsibility for the system in force** in the company regarding the follow-up and supervision of insider transactions and for his review of the work mechanism and ensuring its effectiveness.

The assignment of Mr. Alameldin Gaafar Malik - Legal Advisor and Secretary of the Board of Directors was approved by the Board of Directors at meeting No. "2"/2019 held on May 25, 2019 to follow up and supervise the transactions of Insiders. The duties and responsibilities of the person in charge, based on Article 33 of the Authority's decision regarding the Governance Guide, include:

- ❖ Establishing a special register of the names and data of insiders, including persons who may be considered indirectly or temporarily insiders and who are entitled or have access to the company's internal information before publishing them, provided that the register includes previous and subsequent disclosures of insiders.
- ❖ Managing, following up and supervising the transactions and ownerships of insiders and maintaining their register.
- ❖ Submitting periodic reports and updated lists of insiders' names at the beginning of each fiscal year to the regulatory authorities and any amendments thereto during the fiscal year in accordance with the applicable regulatory guidelines.
- ❖ Also, fully complying with the necessary disclosures on the Abu Dhabi Securities Market website.
- ❖ Continuing to remind insiders of the necessity of their obligations during the periods of trading ban in the company's shares in accordance with the announced rules and regulations issued by the regulatory authorities that must be followed.
- ❖ Continuously reviewing the policy adopted regarding insider trading and submitting urgent recommendations regarding any amendments to the Board of Directors to work on approving them according to the rules.
- ❖ Undertaking the preparation of official declarations signed by insiders and providing them to the regulatory authorities - upon request - and keeping the insider aware of the fact that he possesses internal data and information related to the company and its clients and the legal implications.

resulting from the insider leaking this information or data or giving advice based on the information he possesses.

- ❖ Carrying out any other tasks assigned to him from time to time.

C. Report on the Committee's work during the year 2024:

In compliance with the regulatory directives issued by the Securities and Commodities Authority pursuant to the periodic circulars that require the disclosure of the names of the company's insiders at the end of each quarter, the person in charge has provided the Authority and the Abu Dhabi Securities Market with a list containing the names of the company's insiders and a statement of whether they have had dealings in their aforementioned capacity in accordance with the form prepared for that, during the year 2024.

Investment Committee:

Dr. Saeed Abdullah Al-Mutawa, Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Investment Committee consists of the following board members, and (4) meetings of the committee were held during the year 2024 with the attendance of all its members:

Srl.	Name	Meeting No.1 20/3/2024	Meeting No.2 13/5/2024	Meeting No.3 12/8/2024	Meeting No.4 11/11/2024
1-	Dr. Saeed Abdullah Al-Mutawa	✓	✓	✓	✓
2-	Mr. Omar Ibrahim Al-Mulla	✓	✓	✓	✓
3-	Mr .Rashid Abdullah Muhammad Ali	✓	✓	✓	✓
4-	Moh. Obaid Rashid Al Shamsi	Apology	✓	Apology	✓

The Committee is entrusted with providing assistance and advice to the Board, reviewing proposals for real estate investments and stocks, and submitting recommendations to the Board for approval. Reviewing proposals for new businesses or major expansions in factories and submitting recommendations thereon to the Board for approval.

Tasks and responsibilities of the Board of Directors assigned to the Executive Management during the year 2024:

The Board of Directors of the Company in its current session "2023-2026" has authorized the "General Manager" and the Senior Executive Management Team to carry out the following tasks and responsibilities in accordance with the approved plans and in compliance with the Board's strategic directions within the framework of the Board of Directors' obligations contained in Article "14" of "Authority Resolution" No.

(3/R.M) of 2020 amended by "Authority Resolution" No.: (2/R.M) of 2024 regarding the Governance Guide, including:

- Daily management of the company's operations in accordance with the operational plans and directing the executive body in accordance with the company's strategic objectives confirmed and approved by the Board of Directors.
- Submitting detailed and accurate periodic reports on the company's condition, technically and financially, its work and procedures taken to manage risks and the internal control system of the company in a timely manner that enables the Board to make its decisions correctly to achieve the interests of the company, in addition to enabling the Board to exercise oversight in terms of the consistency of what the executive management is doing for realization of the objectives, plans and policies set by the Board.
- Managing the company's executive body in a manner consistent with the objectives and work strategy approved by the Board, ensuring compliance and activation of laws and regulations to ensure the implementation of the company's objectives within the framework of the approved "Authority Decision" directives and the Abu Dhabi Securities Market and applicable laws, and in accordance with shareholders' expectations.
- Undertaking the implementation of plans and setting current and future policies in accordance with the frameworks of the Board's approved strategy, which primarily aims to comply with laws, regulatory requirements, internal policy, regulations and procedures set to enhance the company's performance in practicing its business.

Transactions made with related parties during the year 2024:

There are no related party balances as of year-end, and no transactions were conducted with related parties during the year ended December 31, 2024, except for the employment relationships with Key Management Personnel and the directors' fees, as described in the notes to the consolidated financial statements.

5. Board of Directors Evaluation

In compliance with the requirements of "Article: (14/Paragraph 28) of the Authority's Resolution No.: 3/R.M) of 2020, amended by the Authority's Resolution No.: (2/R.M) of 2024 regarding the adoption of the Governance Guide for Public Joint Stock Companies, which required the evaluation of the overall performance of the Board of Directors, its committees and members and their effectiveness annually, and by extrapolating the Board's performance according to the target of the "Governance Resolution" and improving the effectiveness of the Board in general and the performance of the committees emanating from it, which means:

Adhering to what the Board has adopted from to strategic directions, objectives and the main work plans approved by the company and setting a supervisory mechanism capable of implementing them, which is the essence of the Board's commitment to the target of the governance resolution.

Among the targets of the governance resolution, in terms of the requirement for the Board's evaluation, is what the Board of Directors must adhere to regarding the adoption of the strategic directions and main goals of the company and supervising their implementation and what is related to following up on the main work plans and their continuous review to monitor and ensure the performance of the executive management according to the approved company business strategy.

Generally reviewing the company's work, evaluating its activities and the performance of the committees emanating from the board, and taking the necessary action if the performance is not in line with the targeted plans.

As well as approving the procedures, policies and internal guidelines for managing the company's affairs, including defining the powers of the effective executive team that is aware of the importance of the objectives approved by the board.

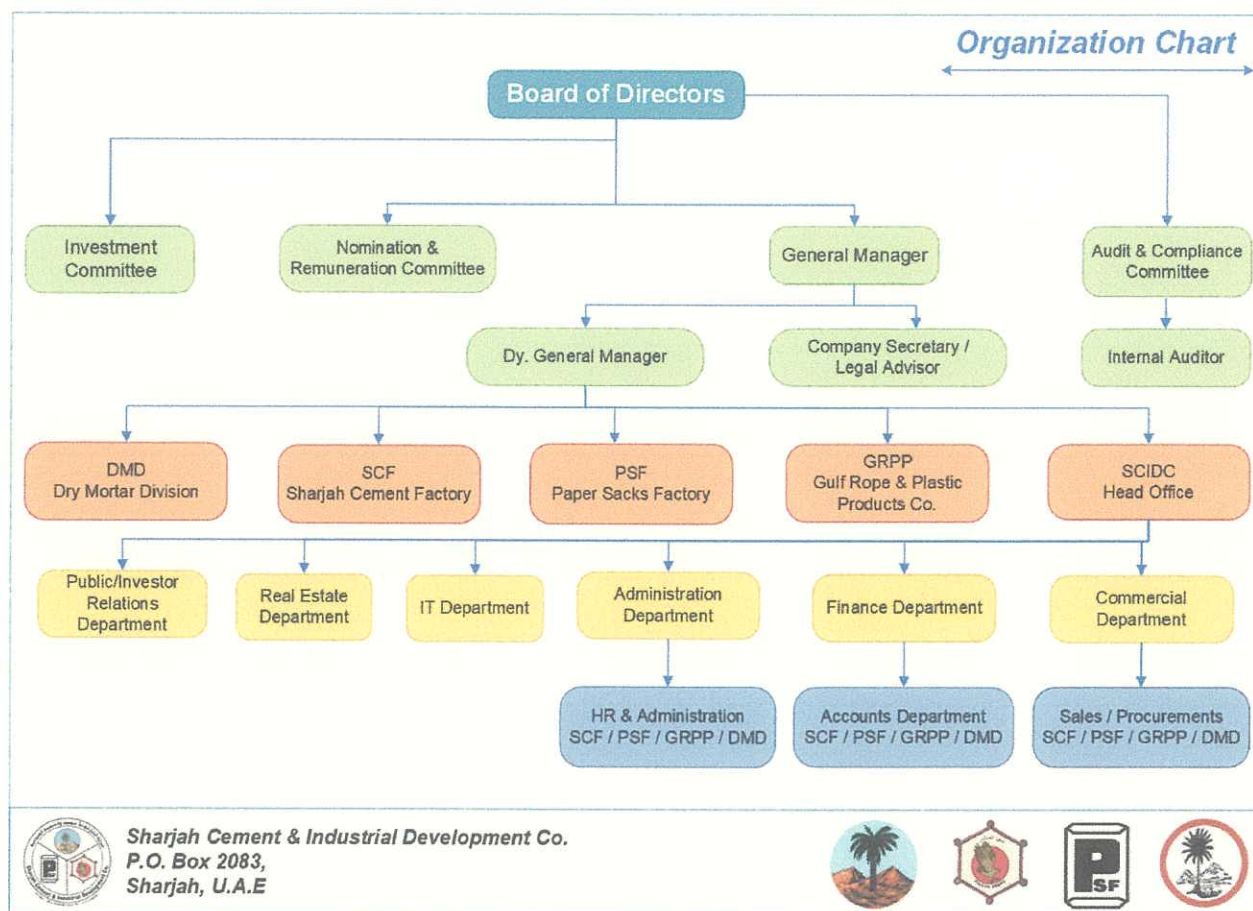
The evaluation of the effectiveness of the board of directors is generally based on reviewing the board's decisions and strategies in achieving the company's specific objectives.

It also includes evaluating the performance of the board members and the committees, which ensures continuous monitoring of the implementation of governance rules and their continuous updates.

Based on the evaluation by the Chairman of the Board of Directors and according to the mechanism approved by the governance decision regarding the board of directors' evaluation of the performance of its members, committees and executive management, the board believes that the board's work is consistent with the requirements for implementing the targeted "Governance Decision" established by Resolution No.: ("2"/R.M) of 2024, which ensures the effective implementation of its obligations to achieve shareholders satisfaction.



6. Organization Chart and Executive Management



- Detailed statement of the company's senior executives:

The senior management team in the executive management of the company and its branches consists of:

Position	Service years	Total salaries& allowances paid in 2024 (AED)	Total remunerations paid in 2024	Any other cash/in-kind remunerations paid in 2024 or future expected
General Manager	46	1,141,000	N/A	/
Legal Advisor/ Company Secretary	19	594,750	N/A	/
Cement Factory Works Manager	17	561,240	N/A	/
Gulf Rope Works Manager	8	407,333	N/A	/
Paper sacks Factory Works Manager	49	537,000	N/A	/

7. External Auditor:

a. About the Company's Auditors:

Ernst & Young in the United Arab Emirates is one of the largest British "limited" companies, a global leader in the field of insurance, transactions, taxes, advisory services, accounting services and auditing. Ernst & Young in the UAE is affiliated with the "global organization of member firms of Ernst & Young Global Limited". Its professional services network extends globally to include all of Europe, the Middle East, India, Africa and Asia. Ernst & Young has been providing its specialized professional services in the Emirate of Dubai since 1967 and in the Emirate of Sharjah since 1975, through a team of qualified chartered accountants. The company's office in the UAE is part of the "Middle East Office" integrated system in terms of training, methodology and quality control. Ernst & Young provides its professional services "accounting, auditing and review" to "Sharjah Cement and Industrial Development Company" among many major public joint stock companies in the country due to its global professional reputation.

b. Statement of fees and costs for auditing or services for the year 2024:

The General Assembly approved in its meeting held on April 30, 2020 the appointment of Messrs. "Ernst & Young" as the company's as external auditor for the fiscal year 2020 for a fee of "375" thousand dirhams in exchange for performing the company's external auditing work until the end of the fiscal year on 12/31/2021, including, for example:

- Quarterly reviews (first, second and third quarters).
- Auditing the annual financial statements.
- Attending the meetings of the general assemblies and reading its report and answering the questions raised by the shareholders in the assembly.
- Evaluating the presentation of the financial statements and ensuring their accuracy.
- Emphasizing the company maintains regular accounts in accordance with the principles.

During the year 2024, another external auditor was hired to perform some other services according to the statement below:

"Ernst & Young" Partner Auditor: Mrs. Warda Ebrahim	
Number of years spent by "Ernst & Young" as the company's external auditor	4 years
Number of years spent by the partner auditor in auditing the company's accounts	2 years
Total audit fees for the financial statements for the year 2024	AED 425,000
Fees and costs of other special services other than auditing the financial statements for the year 2024	None



Details and nature of other services provided	None
Other services performed by an external auditor other than the company's auditor during 2024	<p>Auditor's name and details of the services provided:</p> <ol style="list-style-type: none"> Aswaar Management Consulting, Dubai <ul style="list-style-type: none"> Internal Audit Services Baker Tilly Middle East: <ul style="list-style-type: none"> (ICV) Certificate for Sharjah Cement Factory. (ICV) Certificate for Gulf Ropes Factory Premier Brain Accounting and Auditing, Dubai <ul style="list-style-type: none"> Corporate Tax Consulting Services. Premier Brains Global – Dubai: <ul style="list-style-type: none"> Professional services for developing the ICFR framework.

c. Reservations included by the company's auditor in the interim and annual financial statements for the year 2024:

There are no reservations by the company's auditor regarding the company's financial and/or annual statements for the year 2024.

8. Internal Control System:

- (a) The Board of Directors acknowledges its responsibility for the company's internal control system, its review and effectiveness following the audit, review and discussion of periodic reports on the work mechanism and ensuring its effectiveness.

The Board is responsible for supervising the company's internal control system and continuously reviewing its effectiveness and efficiency in accordance with the directives of the regulatory authorities. The formation of audit and internal control management committee is only a response to the responsibilities included in the Authority's decision in implementation of the directives of the Authority's decision regarding the Governance Guide 2020 and its amendments, which is properly applied by the company's Board of Directors, which confirms the establishment of a permanent, tight internal control system for the company that aims to assess the means and procedures for managing risks in the company and verify and ensure employee compliance with the application of governance rules and the provisions of applicable laws, regulations and decisions regulating its work and detailed internal policies and procedures for what the company's internal control system should be.

- (b) In accordance with the approved working mechanism for approving the recommendations of the "Nominations Committee" of the Board, an internal control management team was appointed consisting of a director and assistants with high qualifications and rich experience in this field in January 2017. The following were appointed:

- **Mr. Kartik Sejal, Director of the Internal Control Department**, a graduate of the Institute of Chartered Accountants of India in 2012. He has more than 10 years of professional experience in the field of auditing and financial management.

c. **The duties of the Compliance Officer** were also assigned to **Mr. M. A. Krishna Kumar**, who holds a Bachelor's Degree in Accounting in 1995 and a Fellowship from the Institute of Chartered Accountants of India and long professional experience that ensures the company's and employees' commitment to the regulatory controls in line with the "Governance Resolution" and its amendments that regulate the company's work, with follow-up on submitting periodic reports to the Board of Directors.

(d). In accordance with the Authority's decision No. 3/R.M of 2020 regarding the Governance Guide and its amendments, and in implementation of the directives of Articles (66 and 67) of the Governance Guide, and in accordance with the mechanism followed regarding the implementation of the regulations and the adoption of appropriate procedures regarding risk management and internal auditing, and periodic verification of the company's compliance with the approved mechanism, and following up on the systems in force regarding the company's internal policies and submitting periodic reports to both the Board and the Audit Committee in accordance with the directives in force regarding the implementation of the provisions of the above articles, the company did not face any problems in the year 2024.

(e). The Internal Control Department issued (4) interim/quarterly reports for the year 2024 on the work of the internal audit to the Audit and Compliance Committee, and the Committee is working to examine and discuss them and issue a recommendation to the Board of Directors thereinto.

9. Violations committed during the year 2024 and their reasons:

No financial violations were detected during the year 2024

10. Cash and in-kind contributions made by the company during the year 2024 in developing the local community and the environment:

Sharjah Cement and Industrial Development Company, within the framework of its responsibilities towards society, has maintained the principles approved by the governance controls in terms of its compliance with contributing to supporting the local community of the United Arab Emirates by taking into account the societal and environmental aspects in the field of the company's activities in line with the legislative systems, which consequently contributes to the company's adherence in its daily operational processes to making decisions that always take into account the requirements of the country's legislation in terms of the company's societal and environmental responsibility alike. The company's contributions always come in support of the local community of the United Arab Emirates with its spectrum of charitable and community institutions, and sponsoring many activities of social and sports institutions, schools and public benefit associations alike, including: -

Company's Cash donations / contributions to charitable and social work:

Name of Organization	2024 (AED)
Khorfakkan Club for the disabled	50,000
AL Batayeh Football Club	100,000
The city of Sharjah For humanitarian services	200,000
Emirates Association for the Visually Impaired	50,000
West Asian Para-Olympic Sports Federation	20,000
Expert Center for Learning Difficulties	20,000
Rashid Centre	20,000
AL Salam Rehabilitation Centre	20,000
Sheikh Moh. Cultural Centre	30,000
ALTariq Autism Centre	15,000
Autism Club & Home	20,000
Sarah Center for Speech and Hearing Rehabilitation	15,000
West Asian Disabled Sports Federation	20,000
Dar Autism Club	20,000
Thekad Mahalo Kutima	5,000
Smile Center for Rehabilitation of the Disabled	16,000
White Hearts Center for Education of the Disabled	20,000
Emirates International Rehabilitation and Training Center	15,000
Al Wasila Center for Speech and Rehabilitation	20,000
Center for Care of Love and Giving	20,000
Al Sondos Center	10,000
Arab Chess Federation	25,000
Friends of Kidney Patients	25,000
Sharjah Club for Self-Defense Sports	50,000
Emirates Creativity Association	30,000
Sudanese Social Centre	10,000
Total	826,000

The company also works hard in the matter of the environment and remains fully compliant with its responsibilities by working to preserve the work environment in the company and the surroundings in terms of adopting, following and applying the best environmental specifications and conditions and continuous coordination with the concerned authorities.

11. General Information:

- a. A statement of the company's share price in the market (closing price, highest and lowest price of each month) during the year 2024 :

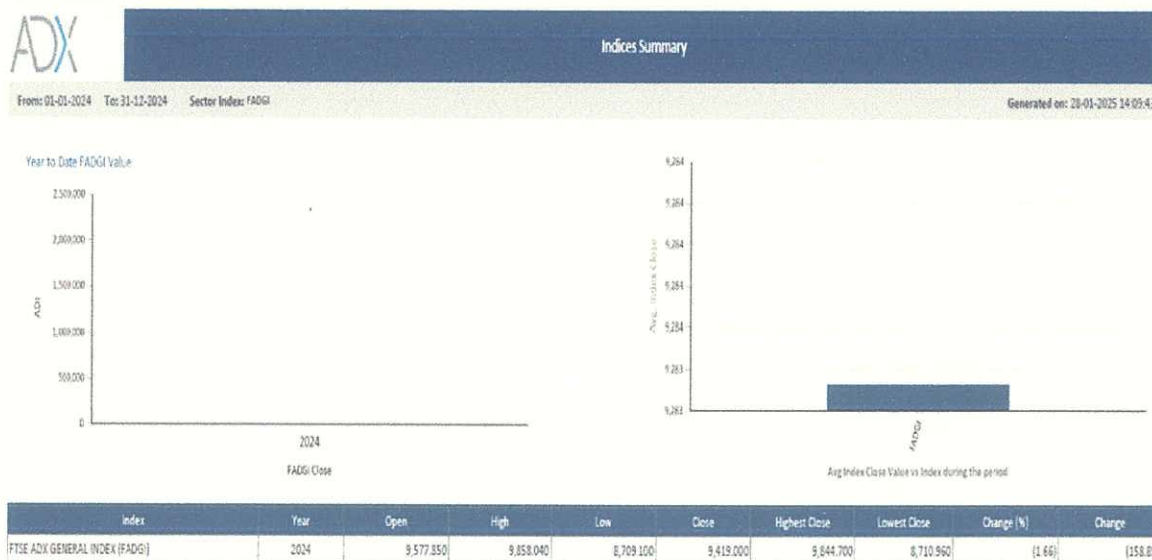
Year 2024	Open AED	Close AED	High AED	Low (AED)	Value (AED)	Volume	Trades	Change
January	0.592	0.658	0.666	133,607.36	204,564.00	22	0.066	11.149
February	0.650	0.600	0.689	10,050,910.99	16,705,547.00	68	(0.058)	(8.815)
March	0.600	0.601	0.649	3,740,871.92	6,234,244.00	51	0.001	0.167
April	0.580	0.629	0.661	106,733.96	180,360.00	26	0.028	4.659
May	0.619	0.586	0.720	9,574,477.22	15,703,293.00	24	(0.043)	(6.836)
June	0.630	0.580	0.680	475,252.26	766,314.00	37	(0.006)	(1.024)
July	0.581	0.600	0.646	1,219,508.98	2,030,263.00	44	0.02	3.448
August	0.600	0.620	0.620	318,647.99	543,113.00	16	0.02	3.333
September	0.622	0.600	0.630	304,757.67	507,604.00	34	(0.02)	(3.226)
October	0.581	0.610	0.619	43,837.86	72,397.00	21	0.01	1.667
November	0.620	0.600	0.651	544,778.74	890,774.00	112	(0.01)	(1.639)
December	0.592	0.631	0.660	164,458.58	257,931.00	72	0.031	5.167
Total				26,677,843.53	44,096,404.00	527	0.066	



b. Statement of the comparative performance of the company's stock with the industrial sector index during the year 2024: from January 1, 2024 to December 31, 2024

2024	Open AED	High price	Low price	Highest closing	Lowest closing	Change	Change ratio
Total	3,271	0.410	3,329	0.150	2,305	(552.81)	(16.90) %

- Chart of the comparative performance of the company's share with the general index of the Abu Dhabi Securities Market during the year 2024 from: January 1, 2024 to December 31, 2024:



c. Distribution of shareholders' ownership as of December 31, 2024 (individuals, companies, governments) classified as follows: local, Arabs and foreigners.

Owned Shares				
Category	Individuals	Corporates	Government	Total
local	111,532,006	238,710,612	145,220,419	495,463,037
Arabs	34,920,202	73,292,158	-	108,212,360
Foreigner	1,980,412	2,597,937	-	4,578,349
Total	148,432,620	314,600,707	145,220,419	608,253,746

d. The shareholders who own 5% or more of the company's capital as of December 31, 2024

Srl.	Name of the Shareholder	Quantity	Ratio	Nationality
1-	Sharjah Asset Management	89,924,624	14.78%	Emirates
2-	Ahmed Omar Salim Al Kurbi	68,305,970	11,23%	Emirates
3-	Sharjah Social Security Fund	55,295,795	9,09 %	Emirates
4-	Salem Abdullah Salem Al Hosani	33,532,313	5.51%	Emirates
5-	AL Salim Co. Ltd	32,484,350	5.34%	Emirates

e. Shareholders tabled according to the size of ownership as on December 31, 2024- :

Srl.	Stock ownership	Number of shareholders	Quantity of owned shares	Percentage of owned Shares from the capital
1-	Less than 50 thousand	1312	61,844,095	10,19%
2-	More than 50 thousand and less than 500 thousand	148	31,881,232	5,25%
3-	More than 500 thousand and less than 5 million	90	117,656,649	19,35%
4-	More than 5 million	15	396,871,770	65,25%
5-	Share Capital	1565	608,253,747	100%

f. Procedures taken regarding investor relations controls:

The Board of directors is always keen to review the company's policy and strategy adopted in the field of investment and periodically supervise the policies applied by the company in light of economic changes and review of the decisions related to the company's investments and development projects, in addition to approving the policies and strategies related to development projects. And reviewing several matters, including considering the company's new investments, feasibility studies and financing methods related to them, and everything that would achieve the management's objectives in terms of advancing the company's policy by providing the necessary clarifications or taking the necessary immediate measures to implement the company's policies and achieve its purposes.

Mr. Mutasim Siddiq Abu Alama - Head of Shares Department has been appointed to oversee the Investor Relations Department, whereby communication with him is through the following:





Phone No.	065695666
Fax No.	065683171
P.O. Box No.	2083 , Sharjah
Investor Relations Page link	www.sharjahcement.com
E-mail:	motasim@sharjahcementfactory.ae
Address	The headquarters of the company Sharjah Cement and Industrial Development Al Marija Area, Sharjah, UAE

g. Statement of the Special Decisions presented to the General Assembly in 2024:

None

h. Secretary of the Board of Directors:

Mr. Alameldin Gaafar Malik is the Secretary of the Board of Directors and was appointed as Secretary of the Board of Directors in 2016.

i. Statement of the material events and important disclosures that the company encountered during the year 2024:

None

j. Deals made by the company with more than 5% of the company's capital during 2024:

None.

k. Statement of the percentage of localization in the company at the end of the years: 2022-2023-2024:

- The percentage of localization at the end of 2022: 17.24%
- The percentage of localization at the end of 2023: 19.66%
- The percentage of localization at the end of 2024: 21.26%

l. Statement of the innovative projects and initiatives that the company has carried out or is being developed during the year 2024:

None






Approval of the Governance Report for the year 2024

رئيس مجلس الإدارة

Chairman of the Board of Directors

Signature:

توقع :




Date: 5/3/2025

رئيس لجنة التدقيق والإمتثال

Chairman of the Audit & Compliance Committee

Signature:

توقع :



Date: 5/3/2025

رئيس لجنة الترشيحات والمكافآت

Chairman of the Nomination & Remuneration Committee

Signature:

توقع :

.....

Date: 5/3/2025

مدير إدارة الرقابة الداخلية

Director of the Internal Control Department

Signature:

توقع :

Halik

Date: 5/3/2025

Governance Report - FY 2024

ص.ب: ٢٠٨٣، برج الحصن الطابق ١٤، شارع البنوك الرولة - الشارقة، الامارات العربية المتحدة

P.O. Box 2083, Al Hisn Tower - 14th Floor, Bank Street, Rolla - Sharjah, United Arab Emirates

Tel.: 06-5695666/5684681/5686102-03, Fax: 5683171 هاتف: ٠٣-٠٢-٥٦٨٦١٠/٥٦٨٤٦٨١/٥٦٩٥٦٦٦-٠٦، فاكس: ٥٦٨٣١٧١

E-mail: scidcho@eim.ae, Website: www.sharjahcement.com





Checklist of Governance Report Items

Company Name : SHARJAH CEMENT & INDUSTRIAL DEVELOPMENT CO. (PJSC)

Market : ABU DHABI SECURITIES EXCHANGE

No.	Item	Disclosed	Not Disclosed	Notes
1.	A statement of the procedures taken to complete the corporate governance system during 2024 and how to implement them.	✓	<input type="checkbox"/>	
2.	A statement of the ownership and transactions of the members of the Board of Directors, their spouses, and children in the company's securities during 2024.	✓	<input type="checkbox"/>	
3.	Formation of the Board of Directors:			
	A statement regarding the current formation of the Board of Directors (including the names of resigned and newly appointed Board members).	✓	<input type="checkbox"/>	
	A statement of the percentage of female representation on the Board of Directors for the year.	✓	<input type="checkbox"/>	N/A
	A statement explaining the reasons for not nominating any female candidates for membership on the Board of Directors.	✓	<input type="checkbox"/>	
	Total remuneration paid to members of the Board of Directors for the year 2023.	✓	<input type="checkbox"/>	
	Total proposed remuneration of the members of the Board of Directors for the year 2024, which will be presented at the annual general assembly meeting for approval.	✓	<input type="checkbox"/>	A recommendation for General A. Meeting will be made, and resolution will be disclosed to SCA.
	A statement detailing the allowances received by board members attending committee meetings during the fiscal year 2024.	✓	<input type="checkbox"/>	
	Details of additional allowances, salaries, or fees received by Board members, apart from allowances for committee attendance and their reasons.	✓	<input type="checkbox"/>	





No.	Item	Disclosed	Not Disclosed	Notes
	The number of Board of Directors meetings held during the fiscal year 2024, including the dates of their holding and the number of personal attendances for all members, as well as those attending by proxy.	✓	<input type="checkbox"/>	
	The number of Board of Directors' decisions made during the fiscal year 2024, along with a statement of the dates of the meetings.	✓	<input type="checkbox"/>	There are no resolutions passed by circulation during the fiscal year
4.	Board of Directors' Committees:			
	Audit Committee:			
	A declaration by the Chairman of the Audit Committee of his responsibility for the committee system within the company and for reviewing its operational mechanism and ensuring its effectiveness.	✓	<input type="checkbox"/>	
	Names of the Audit Committee members, along with a statement of its competencies and assigned tasks.	✓	<input type="checkbox"/>	
	Number of meetings held by the Audit Committee during 2024 and their dates to discuss matters related to the financial statements and any other matters, and a statement of the number of times members attended the meetings in person.	✓	<input type="checkbox"/>	
	Nominations and Remuneration Committee:			
	A declaration by the Chairman of the Nominations and Remuneration Committee of his responsibility for the committee system within the company and for reviewing its operational mechanism and ensuring its effectiveness.	✓	<input type="checkbox"/>	
	Names of the Nominations and Remuneration Committee members, along with their respective competencies and assigned tasks.	✓	<input type="checkbox"/>	
	A statement of the number of meetings held by the committee during 2024 and the dates of these meetings, along with a statement of the number of times all members attended in person.	✓	<input type="checkbox"/>	
	Committee for Monitoring and Supervising the Transactions of Stakeholders:			
	A declaration by the Chairman of the Committee or an authorized representative regarding his responsibility for the committee system within the company and for reviewing its operational mechanism and ensuring its effectiveness.	✓	<input type="checkbox"/>	



CGR Check List 2024



No.	Item	Disclosed	Not Disclosed	Notes
	A detailed statement of senior executive employees in the first and second tiers, as indicated in the organizational structure of the company and their positions and dates of appointment with a statement of the total salaries and bonuses paid to them, according to the table.	✓	<input type="checkbox"/>	
8.	External Auditor:			
	Providing a brief overview of the company's auditor to shareholders.	✓	<input type="checkbox"/>	
	A statement detailing the fees and costs associated with the audit or services provided by the external auditor, according to the table.	✓	<input type="checkbox"/>	
	A statement clarifying the reservations included by the company's auditor in the interim and annual financial statements for the year 2024. In the absence of any reservations, this should be explicitly stated	<input type="checkbox"/>	x	No reservations
9.	Internal Control System:			
	A declaration by the Board of Directors of its responsibility for the internal control system within the company and for reviewing its operational mechanism and ensuring its effectiveness.	✓	<input type="checkbox"/>	
	Name of the department manager, his qualifications and date of appointment.	✓	<input type="checkbox"/>	
	Name of the compliance officer, his qualifications and date of appointment.	✓	<input type="checkbox"/>	
	How the Internal Control Department handles any major problems in the company or those disclosed in the annual reports and accounts (In the absence of major problems, this should be clearly stated).	<input type="checkbox"/>	x	No significate issues detected
	Number of reports issued by the Internal Control Department to the Board of Directors of the company.	✓	<input type="checkbox"/>	
10.	Details of violations committed during 2024, including their causes, how to address them, and how to avoid their recurrence in the future.	<input type="checkbox"/>	x	No violations committed





No.	Item	Disclosed	Not Disclosed	Notes
11.	A statement of the cash and in-kind contributions made by the company during 2024 towards local community development and environmental preservation. (If no contributions were made, this should be stated clearly).	✓	<input type="checkbox"/>	
12.	General Information:			
	A statement of the company's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.	✓	<input type="checkbox"/>	
	A statement of the comparative performance of the company's share with the general market index and the sector index to which the company belongs during the year 2024.	✓	<input type="checkbox"/>	
	A breakdown of shareholder ownership as of 31/12/2024 categorized as individuals, companies, and governments and further classified into local, Gulf, Arab, and foreign.	✓	<input type="checkbox"/>	
	A statement of shareholders owning 5% or more of the company's capital as of 31/12/2024 according to the table.	✓	<input type="checkbox"/>	
	A statement of how shareholders are distributed according to the volume of ownership as of 31/12/2024 according to the table.	✓	<input type="checkbox"/>	
	A statement detailing the procedures taken regarding investor relations controls, stating the following: <ul style="list-style-type: none"> The name of the investor relations officer. Contact information for investor relations (email, phone, mobile, fax). An electronic link to the investor relations webpage on the company's website. 	✓	<input type="checkbox"/>	
	Statement of special resolutions presented at the General Assembly held during 2024 and the actions taken in this regard.	<input type="checkbox"/>	x	No special Resolutions in 2024
	Name of the rapporteur of the Board of Directors' meetings and date of appointment.	✓	<input type="checkbox"/>	
	A detailed statement of the material events and important disclosures that the company encountered during 2024.	<input type="checkbox"/>	x	NIL
	A statement of the transactions that the company concluded with related parties during 2024, which equal 5% or more of the company's capital.	<input type="checkbox"/>	X	NIL



E-mail: scidcho@eim.ae, Website: www.shariahcement.com



**Sharjah Cement & Industrial Development Co.
(PJSC)**

SUSTAINABILITY REPORT 2024

**“Grow Sustainably with Continuous Quality
in Products, Process and People”**

TABLE OF CONTENTS



A - ABOUT THIS REPORT

- Scope of The Report
- Report Highlights 2024
- Message from our Chairman

B - ABOUT US

- Our Group Entities
- Quality & Product Compliance
- Our Value Chain

C - SUSTAINABILITY AT SCIDC

- Putting Sustainability into Context
- Listening To Our Stakeholders
- Materiality
- Our Sustainability Framework & Goals

D - RESPONSIBLE, ETHICAL & PROFITABLE GROWTH

- Our Economic Performance
- Production Performance & Efficiency
- Good Corporate Governance
- Organization Chart

E - HEALTH, SAFETY AND WELLBEING OF OUR PEOPLE

- Human Rights
- Our Human Capital
- Diversity and Inclusion
- Employee Attraction & Retention
- Employee Training
- Employee Engagement
- Occupational Safety

F - ENVIRONMENTAL LEADERSHIP, VISION & MISSION

- Our Environmental Vision
- Our Environmental Mission
- Our Environmental Goals
- Our Achievements

G - CORPORATE SOCIAL RESPONSIBILITY

- Emiratization
- Local Procurement & Supplier Management
- Community Investment



ABOUT THIS REPORT

Sharjah Cement & Industrial Development Co. PJSC (SCIDC) has always remained committed to operating sustainably and setting high standards of Environmental, Social and Governance objectives to pioneer a sustainable future.

With great pleasure, we present our sustainability report for 2024, which includes our key environmental, social, and governance performance. It highlights the initiatives we have put in place to help us establish credibility and better connect our sustainability efforts with our company's vision.

The United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC) Principles, and Abu Dhabi Economic Vision 2030 have all been taken into consideration in the preparation of this report, which complies with GRI standards.

Scope of the Report



1. YEAR

The report covers our environmental, social and governance performance for the year 2024.

2. ENTITIES

All entities mentioned in this report refer to entities owned by SCIDC including Sharjah Cement Factory, SCF – Dry Mortar Division, Paper Sacks Factory, Gulf Rope and Plastic Products LLC and Investment Operations.

3. COUNTRIES

The report covers our operations in the United Arab Emirates only, unless otherwise indicated.

4. MONETARY VALUES

All monetary values in this report are in Arab Emirates Dirhams (AED), unless otherwise indicated.

5. TERMINOLOGY

Use of the terms “SCIDC” or “Sharjah Cement” in this report refers to Sharjah Cement and Industrial Development Co.

6. FINANCIAL PERFORMANCE

The financial performance and economic impact figures used in the report are drawn from all entities owned by SCIDC, including Sharjah Cement Factory, SCF – Dry Mortar Division, Paper Sacks Factory, Gulf Rope and Plastic Products LLC, and from Investment Operations. For further information regarding our financial performance, please refer to our annual report available on our website.

7. CONTACT POINT

For more information about this report and our sustainability approach and performance, please contact:

Name : Krishnakumar M.A.

Designation : Finance Manager

Email : scidcho@sharjahcementfactory.ae

8. EXTERNAL ASSURANCE

Our internal team created this sustainability report, which was further reviewed and approved by internal stakeholders and management to ensure the accuracy of the information reported. We chose not to appoint an external party to audit our sustainability report. However, it remains an option that we may consider in the future.

The content presented in this report is the result of thorough stakeholder engagement and materiality analysis, which are covered in the chapter titled “Sustainability at SCIDC.” We believe that all the content and data provided throughout this report were represented with the utmost integrity, honesty, and transparency to provide our stakeholders with clear and accurate insights on all our business activities and footprint.

Report Highlights 2024



1. Sustainable Growth

- Shareholder equity is AED 1,346.12 million.
- Book value per share is AED 2.21
- No Incident of Non-compliance with External Laws and Regulations
- No Incident of Non-compliance with the Code of Conduct

2. Health, Safety and Wellbeing of our People

- Diverse workforce of employees from more than 12 different nationalities at SCIDC.
- Provided 5964 hours of training for our employees, Sponsored Students and Trainees including health seminars.
- 11% Employee Turnover Rate.
- No fatality or major accident at work.

3. Environmental Leadership

- Reduced 70,000 tons of annual Carbon emission reduction with Waste Heat Recovery System.
- Zero waste to Landfill.
- Ensured all wastewater is completely recycled and no fresh water is drawn for plant.
- Planted 270 trees during 2024 and continue to do so in the foreseeable future.
- Invested more than USD 30 million in technology to make use of alternative fuels to reduce coal consumption and replace it with recycled waste.

4. Corporate Social Responsibility

- 35.45% of employees with monthly salaries above AED 8000 are UAE nationals.
- About 60% of the total production cost including payroll is procured from local suppliers.
- Invested AED 826,000 invested in Community Development and Support.

MESSAGE FROM THE CHAIRMAN



Mr. Othman Mohamed Sharif Abdulla Zaman
Chairman

Dear Shareholders,

On behalf of the Board of Directors and myself, I am pleased to share SCIDC's sustainability report for the year 2024. In this report, we outline our efforts and performance in the areas of sustainable growth, environmental stewardship, employee engagement, and our broader social responsibility.

We acknowledge our responsibilities towards environmental preservation and have actively worked to strategically align ourselves with the UAE Green Agenda and Abu Dhabi Economic Vision 2030.

We positively contribute to these visions and directives by supporting our local communities and integrating sustainability into everything we do. The company's Sustainability Framework aligns with the United Nations Sustainable Development Goals, the United Nations Global Compact, and the Global Reporting Standards.

This report highlights our environmental, social and governance performance and contribution to national and global sustainability targets.

The UAE Environment Law mandates that all cement companies in the UAE use a minimum of 10% alternative fuel instead of coal, starting in 2021. We are pleased to announce that we achieved this goal in 2019. We have signed multiple agreements with various waste management organizations for the supply of over 200,000 tons per annum of Solid Recovered Fuel (SRF) generated from industrial and commercial waste in landfills, allowing us to further reduce our carbon emissions. Through these agreements and other ongoing arrangements, we have replaced over 30% of fossil fuels with alternative fuels as of 2024. With the commissioning of a new alternative fuel feeding system for the kiln in 2025, we expect to achieve a replacement of approximately 50% to 60% of fossil fuels with alternative fuels. Additionally, we are investing in technology and actively partnering with municipalities and other private entities to further promote the use of alternative fuels.

We are closely collaborating with Sharjah Municipality and the Ministry of Environment to keep dust and other emissions from the factory well below the statutory limits. Additionally, we assist Sharjah Police in ensuring the safe and environmentally-friendly disposal of hazardous waste and other contraband materials. Our factory campus is home to more than 6,520 trees, and we take pride in being one of the greenest factories in the UAE.

We have partnered with Sharjah Municipality to recycle wastewater generated by their water treatment plant in Sharjah. During 2024, we utilized 67 million gallons of wastewater in our cement plant. We are proud to announce that we use zero fresh water at the plant, which now operates entirely on recycled water.

The company continues to support numerous charitable organizations and social institutions to fulfill its corporate social responsibilities. To promote the development of Emirati youth, the company organizes visits to the cement plant and provides regular training in collaboration with various schools and universities.

I would also like to thank my fellow board members, management, and employees of the company for their dedicated efforts and commitment to achieving the company's sustainability objectives.



ABOUT US

Sharjah Cement and Industrial Development Co. (PJSC) (“the Company”) was incorporated in Sharjah, the United Arab Emirates, in 1977 under an Emiri Decree issued by H.H The Ruler of Sharjah and has since been registered as a public joint-stock company.

The registered office of the Company is P.O. Box 2083 Sharjah, United Arab Emirates.

The shares of the company are listed on the Abu Dhabi Securities Market.

SCIDC is engaged in the manufacturing and supply of cement, dry mortar products, paper sacks, plastic ropes and jumbo bags. 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 within UAE and many other countries, including the Middle East, Africa, and Asia.

Our Motto is to

“Grow Sustainably with Continuous Quality in Production, Process & People”

Our Group Entities

SCIDC group is composed Of five main business units operating across the UAE.



**SHARJAH
CEMENT
FACTORY**



**SCF
DRY MORTAR
DIVISION**



**PAPER
SACKS
FACTORY**



**GULF ROPE
& PLASTIC
PRODUCTS
CO. LLC**



**SCIDC
INVESTMENT
OPERATIONS**



SHARJAH CEMENT FACTORY



SCF has been the market leader in the production of its Portland cement and GGBS products since the company commenced production in 1977. The company prides itself in moving forward by fully understanding the aspects, including the technical and engineering principles of both its products and its processes.

We specialize primarily in producing and processing Portland cement, Portland Sulphate – Resisting Cements and Iron Blast furnace slags into ground granulated Blast furnace slag and Cement Clinkers for the construction industry. Furthermore, we also produce Oil-well Cement conforming to API Specifications 10 A, Class A,G and H.

All our products are manufactured strictly in compliance with the relevant European and American standards and are manufactured carefully and precisely by aptly using selected raw materials.

We undertake strict quality control throughout each stage of the manufacturing process to ensure that a consistent final product is achieved. The factory capacity ensures to meet the market requirements and to offer a premier service to our suppliers and customers we operate a dedicated fleet of bulk delivery tankers.

SCF Operates under ISO 9001-2015 Quality management System. We have also been awarded ISO 14001-2015 for Environmental Management Systems, ISO 45001-2018 for Occupational Health & Safety Management Systems and ISO 50001-2018 for Energy management Systems. SCF is committed to promote the highest standards in health, safety and environmental preservation and protection.



SCF DRY MORTAR DIVISION



Sharjah Cement Factory has been the market leader in the manufacture of various types of high-quality Cementitious products since the company commenced production in 1977. The company prides itself on moving forward by development of the complete understanding of the technical and engineering principles both of its products and its processes. It specializes principally in the production and processing of Cements and Cementitious materials viz Premix Plaster, Tile Fix, Grouts etc. All products are manufactured strictly in compliance with the relevant European and American standards. Our products are manufactured using carefully selected high quality raw materials. We have a strict quality control system throughout each stage of the manufacturing process which ensures that a consistent final product is achieved. Our capacity can easily cope with the requirements of the market area served and we operate a dedicated fleet of trucks to offer a premier service.

SCF dry mortar division is a fully automated German technology plant having production capacity of 1000 Mt per day. SCF dry mix mortars are transported in dry form to the construction sites, where only water is to be added to the dry mortar in recommended quantity just before application. We are offering our dry mortar products in 20 kg, 25 kg, 50 kg bags, jumbo bags and bulk as per customer requirement.



GULF ROPE AND PLASTIC PRODUCTS CO. LLC



Established in 1994, GRPP is the largest synthetic rope and baler twine manufacturer in UAE. GRPP manufactures synthetic ropes under the brand name FALCON at its modern plant in Sharjah, UAE. While incorporating state-of-the-art technology, all types of equipment are of European origin. It is the first ISO 9001-2015 certified synthetic rope factory in the Middle East. GRPP has a proactive approach towards the Health and Safety of its employees. Additionally, the products are exported to more than 25 countries worldwide in the Middle East, Europe and Africa.



PAPER SACKS FACTORY



PSF was established in the year 1975 for the promotion of industries in Sharjah, UAE. PSF is ISO 9001:2015 certified and a leading manufacturer of multiwall, glued/pasted valve type empty paper sacks for packing cement, fertilizers, chemicals, flavors, sugar, minerals and many more. PSF has the most modern equipment of European make with an installed capacity of 120 million sacks per annum with up to 6 piles and colored print as per customer specifications. We export our high-quality paper sacks across the Middle East, Africa, Asia and other overseas markets.














SCIDC INVESTMENT OPERATIONS












SCIDC maintains a significant portfolio of Real Estate and Equity Investment in order to generate a steady flow of income and capital appreciation.

QUALITY & PRODUCT COMPLIANCE

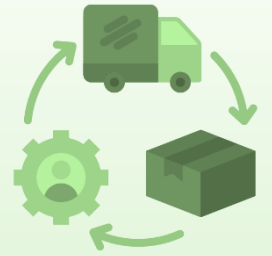
Sharjah Cement Factory			
	ICV Certification		ISO 14001:2015 Certification
	API Certificate		ISO 50001:2018 Certification
	ISO 45001:2018 Certification		ISO 9001:2015 Certification
	BS EN 15167-1:2006		BS EN 197-1: 2011

SCF - Dry Mortar Division	
	Dubai Central Laboratory Approval
	ISO 9001:2015 Certification
	ISO 14001:2015 Certification

Gulf Rope & Plastic Products Co. LLC.			
	ICV Certification		ISO 9001:2015 Certification
	Lloyd's Certification		ISO 14001:2015 Certification
	Certificate of Membership		Certificate of Membership
	Certificate of Membership		Certificate of Membership

Paper Sacks Factory	
	ISO 9001:2015 Certification

Our Value Chain



RAW MATERIALS

Extraction & Procurement:

- SCF procures its raw materials from local and international suppliers. Extraction materials are also extracted from our own quarrying sites.
- SCF - DMD procures its raw materials locally and from international suppliers.
- PSF purchases paper in international markets and other raw materials such as glues and colors are procured locally.
- GRPP procures raw materials from local and international market.

CUSTOMERS

Public & Private Sector Customers:

We supply our products to public and private sector customers both locally and internationally.

MANUFACTURING & PRODUCTION

Various types of Cement, Dry Mortar Products, Paper Bags, Plastic Rope and related products, and Jumbo Bags.

SCF, SCF - Dry Mortar Division, PSF, and GRPP factories operate around the clock, and all our products are made in-house without any outsourcing of manufacturing activities.

INVESTMENT HORIZON

SCIDC invests in real estate, shares and securities. All the real estate investments are within UAE. Investments in shares and securities are mainly within UAE and other GCC countries.



SUSTAINABILITY AT SCIDC

Climate change, sustainable development, and social justice are among the most pressing challenges facing humanity today.

Governments and businesses are responding to these challenges by aligning their strategies with global directives and initiatives aimed at minimizing the impact of these risks.

Sustainable development encourages us to conserve and enhance our resource base by gradually changing the ways in which we develop and use technologies.

At SCIDC, we are conscious of our consumption of natural resources and carbon emissions, and we work tirelessly to conserve natural resources and reduce our emissions.

We are constantly investing in and effectively integrating the latest technologies to reduce our carbon footprint, promote recycling of all waste, and decrease the consumption of natural resources in order to make a notable impact on our environment.

PUTTING SUSTAINABILITY INTO CONTEXT

We use the following guidelines and frameworks to determine our sustainability priorities. Each of these frameworks has been used to identify areas of focus that are outlined in this report.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The Sustainable Development Goals (SDGs) represent the world's most pressing sustainability issues. They collectively outline a model for the future in which economic growth is achieved without compromising the environment or individuals in society.

This blueprint consists of 17 overarching goals focused on environmental, social, and economic global challenges that everyone in the global community needs to address.

The SDGs, also known as the Global Goals, are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

THE UNITED NATIONS GLOBAL COMPACT (UNGC)

The UNGC is a directive issued by the United Nations that aims to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. The compact calls on all companies to align their strategies and operations with universal principles on human rights, the environment, and anti-corruption, and work collectively to advance societal goals.

THE GLOBAL REPORTING INITIATIVE (GRI)

The Global Reporting Initiative (GRI) is an international non-profit organization that works in the public interest to promote a sustainable global economy. Their vision is for organizations to manage their economic, environmental, social, and governance performance and impacts responsibly. The GRI Guidelines are used by thousands of corporate and public sector reporters in over 90 countries. The activities of GRI focus on providing sustainability reporting guidelines and developing engagement activities, products, and partnerships to increase the value of sustainability reporting for organizations.

THE INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)







The International Integrated Reporting Council (IIRC) consists of international leaders from various sectors such as corporate, investment, accounting, securities, regulatory, academic, standard-setting, and civil society. Their mission is to create the Integrated Reporting framework, which will offer essential information about an organization's strategy, governance, performance, and future outlook in a concise and standardized format. This represents a significant change in corporate reporting practices.

ABU DHABI ECONOMIC VISION 2030

The Government of Abu Dhabi announced a long-term plan to transform the economy, aiming to reduce its reliance on the oil sector and increase focus on knowledge-based industries. The Abu Dhabi Economic Vision 2030 outlines the current economic environment and identifies key areas for improvement in order to achieve the goals set out in the Policy Agenda.

LISTENING TO OUR STAKEHOLDERS

We value all our stakeholders equally and recognize that each group has different needs and expectations. As a result, we acknowledge the importance of identifying each group and determining the most effective ways to engage with them in order to incorporate their perspectives into our business operations. We regularly interact with our stakeholders through various communication channels to gather valuable feedback from those impacted by our business. The table below outlines our key stakeholders, their primary concerns, and how we engage with them.

STAKEHOLDER GROUP	KEY TOPICS AND CONCERNS	APPROACH OF ENGAGEMENT
 Employees	<ul style="list-style-type: none"> Acknowledge employee's issues through formal/informal channels. Support employee's career progression through learning and development opportunities. Transparent policies and procedures. 	<ul style="list-style-type: none"> We have an open-door policy for all employee-related complaints and escalations. Enhance employees' skills and capabilities by providing relevant training. Publish updated policies and procedures are published and accessible to all employees.
 Customers	<ul style="list-style-type: none"> Maintain highest level of product and service quality. Respond to customers' grievances through all channels, i.e. telephone, e-mail or website. Monitor customer satisfaction, formally and informally, for continued improvement. 	<ul style="list-style-type: none"> Quality labs work independently of the production team and reports directly to the top management. Customer Service team has stringent delivery targets which are monitored regularly. Provide open channels to obtain customer feedback on products and services and address their grievances in a timely manner. Senior management Team meets customers regularly to monitor customer satisfaction and devise improvement methods accordingly.
 Shareholders	<ul style="list-style-type: none"> Profitability Transparency Sustainability 	<ul style="list-style-type: none"> Ensure timely decisions that support the growth objectives of the company. Conduct an Annual General Meeting for shareholders. Disclose annual performance in the Annual Report, Governance and Sustainability Report.
 Suppliers	<ul style="list-style-type: none"> Transparency in the bidding/ procurement process. Ensure supplier safety while on-site. 	<ul style="list-style-type: none"> Ensure a transparent procurement process, where information is shared with all internal and external parties. Take care of supplier's working conditions and safety while on-site.
 Local Communities	<ul style="list-style-type: none"> Environmental pollution from industrial activities. Local community events. Employment opportunities 	<ul style="list-style-type: none"> Our HSE department ensures stringent compliance with environmental laws. Work with ministries for development of UAE nationals. Participation in employment and job fairs.
 Authorities, government agencies and regulators	<ul style="list-style-type: none"> Compliance with various government rules and regulations. 	<ul style="list-style-type: none"> Complete Compliance with all regulatory requirements. Cooperate with government agencies and entities to maintain good practice for sustainable development.

Materiality



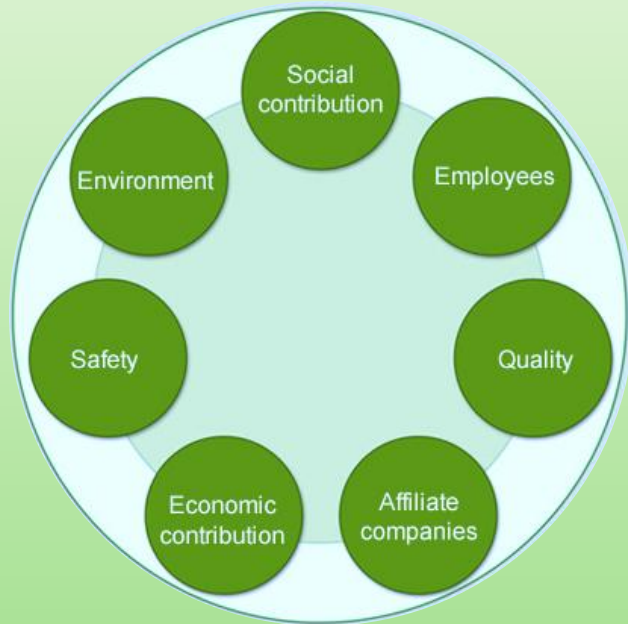
Our materiality analysis aims to pinpoint the most relevant sustainability topics to our organization. An Internal team of management across all factories was constituted to brainstorm and identify key focus areas, assess their impact, and identify and implement sustainable and long-term solutions. This process involved the following stages:

Research, Benchmark and Brainstorm	Impact Assessment	Management Ratification and Alignment
Identify a list of potential material issues based on global reporting standards, peer reviews, national visions such as the Abu Dhabi Economic Vision 2030 and international directives including the Sustainable Development Goals.	<p>Prioritized material issues around an applied stakeholder mapping and engagement process and SCIDC’s sustainability focus.</p> <p>Assess material topics to rank the most important issues.</p>	Review of the list of material issues by SCIDC’s senior management and sustainability team. Regular follow ups.

List of Material Issues		
<ul style="list-style-type: none">Ethics and complianceCustomer relations and satisfactionEmployee developmentWaste management	<ul style="list-style-type: none">Market expansionHealth and SafetyWater managementGHG emissions	<ul style="list-style-type: none">Product innovationReduce environmental impactEnergy management

Our Sustainability Framework & Goals

Sustainability is SCIDC's motto and core principle that we religiously follow in everything we do. SCIDC's sustainability management framework allows us to monitor and enhance our social, environmental, and economic performance continuously. This framework stands on four pillars that take into consideration our business needs and our impact on society, the environment, our workplace, and performance.



Responsible, Ethical and Profitable Growth

Our business is conducted in a fair manner that benefits all our stakeholders by ensuring ethical and good corporate governance. We are contributing to the sustainable development of UAE and its people with:

- Reasonable economic growth
- Highest quality products
- Product and market development
- Customer satisfaction
- Complete Compliance with local laws and regulations

Environmental Leadership

SCIDC works continuously to ensure that our operations causes no harm to the surrounding living environment, reduce our carbon footprint, minimize our operational waste and water consumption. We contribute to our aim of greener planet with the following key goals:

- Use of Waste Heat Recovery Systems, increasing the share of renewable energy and alternative fuels to reduce coal consumption.
- Zero waste to landfill and complete reuse and safe disposal of all plant waste.
- Operate the plant with recycled water and zero consumption of fresh water in the plant.
- Work with private and public sector players for recycling and safe disposal of waste.
- Continuously invest in the state of the art environment-friendly technology for efficient production, distribution and use of energy and alternative fuels.
- Stringent compliance with all environmental regulatory requirements.

Health, Safety & Wellbeing of our People

Our employees are the largest contributors to our success. We strive to improve the health, safety and well-being of our people with the following key goals:

- Respect and equality amongst all people
- Continuously improve the health and safety of all our people
- Gender equality
- Quality training and knowledge distribution

Corporate Social Responsibility

In line with the Abu Dhabi Economic Vision 2030, we seek to drive local economic development and contribute to our local community with:

- Improved Emiratization
- Increase in local procurements
- Community development



RESPONSIBLE, ETHICAL & PROFITABLE GROWTH

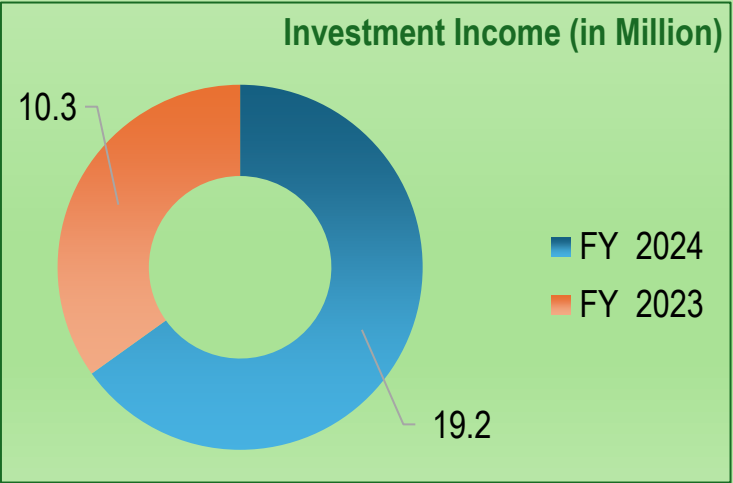
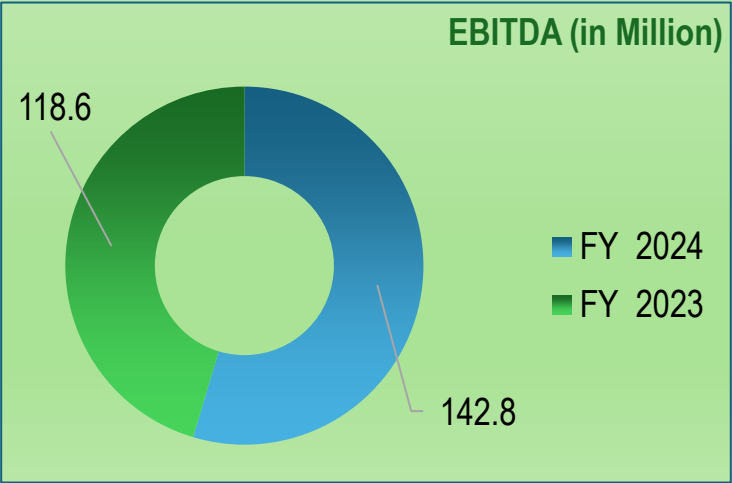
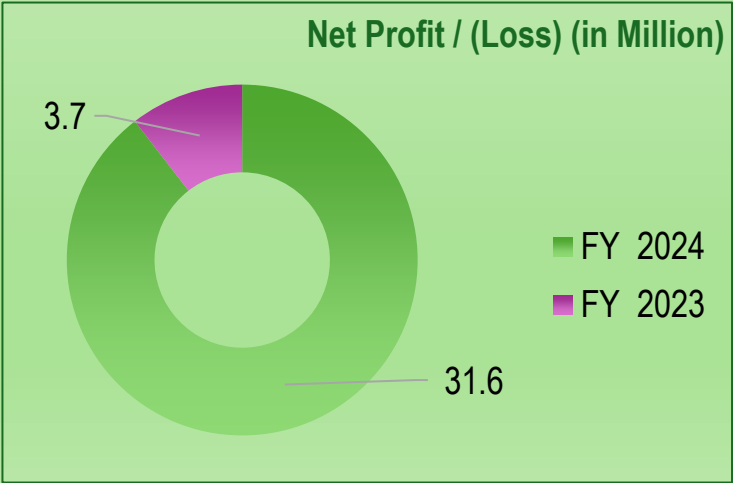
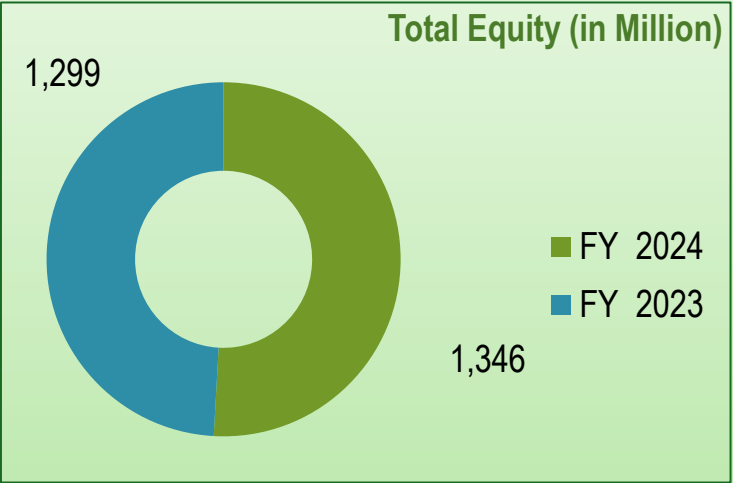
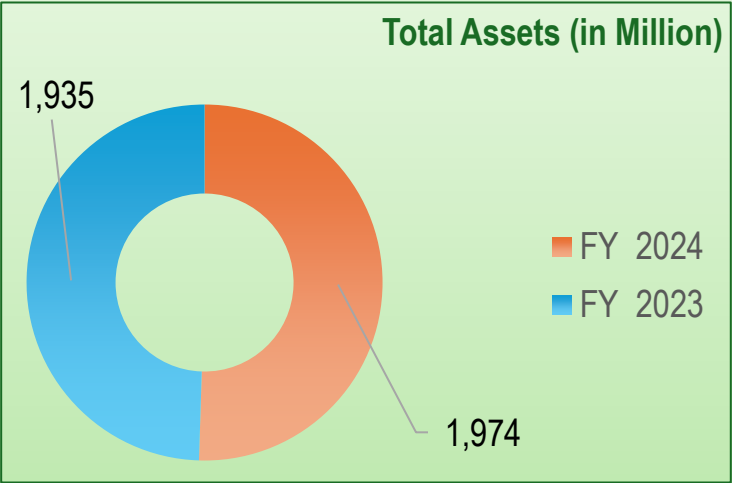
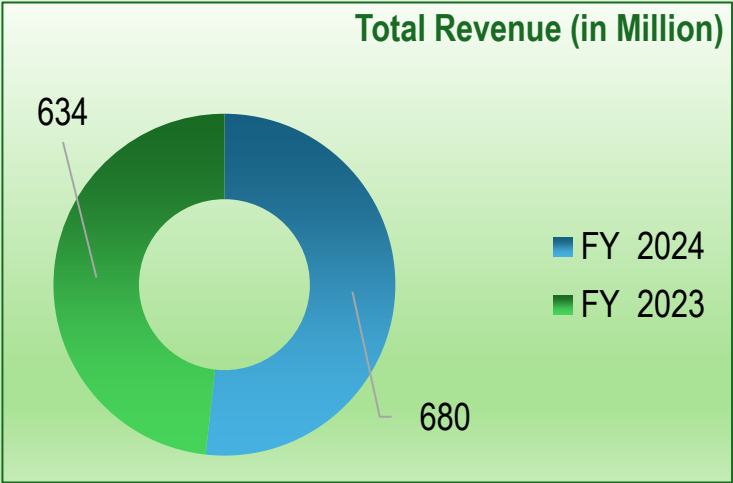
Our focus on safeguarding our stakeholders' rights and privacy is a fundamental component of our approach. We are aware that our success depends critically on the relationships we have with suppliers, partners, and people of the community. As a result, we pledge to protect their rights, maintain openness in our interactions, and honor their privacy throughout all our business ventures. We also prioritize making a good difference for our suppliers, partners, and the community at large. Our actions and operations are planned to yield advantages that go beyond our short-term commercial goals, benefiting our partners and the communities in which we conduct business. We are dedicated to supporting the sustainable development of the UAE and its people through high-quality products and strict adherence to laws and regulations.

Despite supply chain issues caused by geopolitical disruptions in Europe and West Asia, the company reported a gross profit of AED 69.38 million for FY 2024, compared to a profit of AED 36.2 million for FY 2023. The increase in profit was mainly due to lower energy prices, the use of alternative fuels instead of coal. As a result, the company achieved profitability in 2024. The company effectively managed its costs, ensuring a positive EBIDTA throughout the year, and carefully managed cash flows to handle debts, maintaining shareholders' equity.

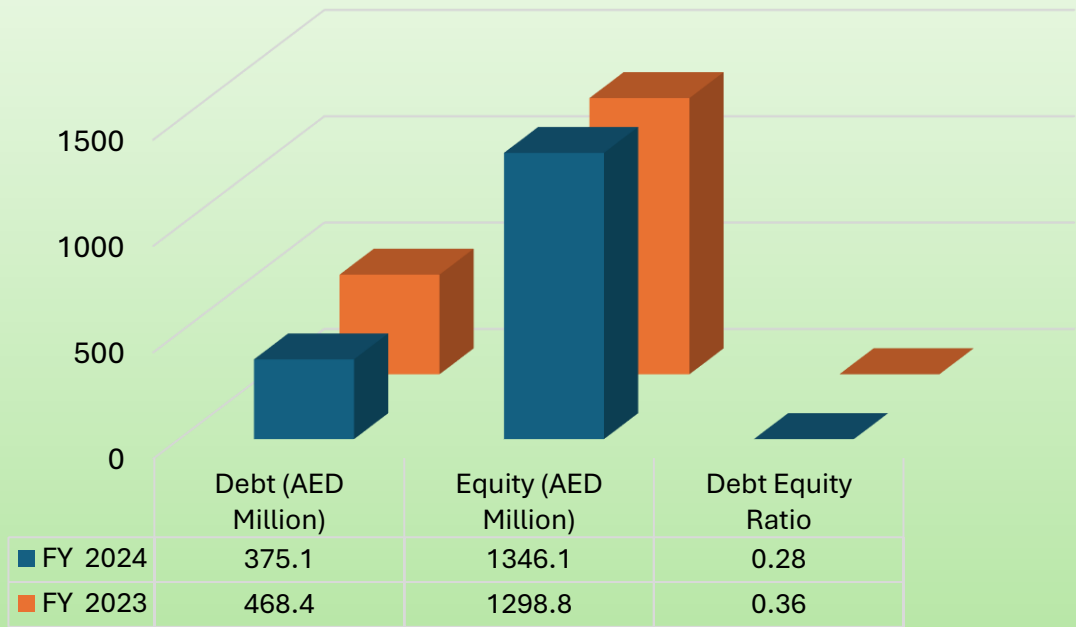


Our Economic Performance

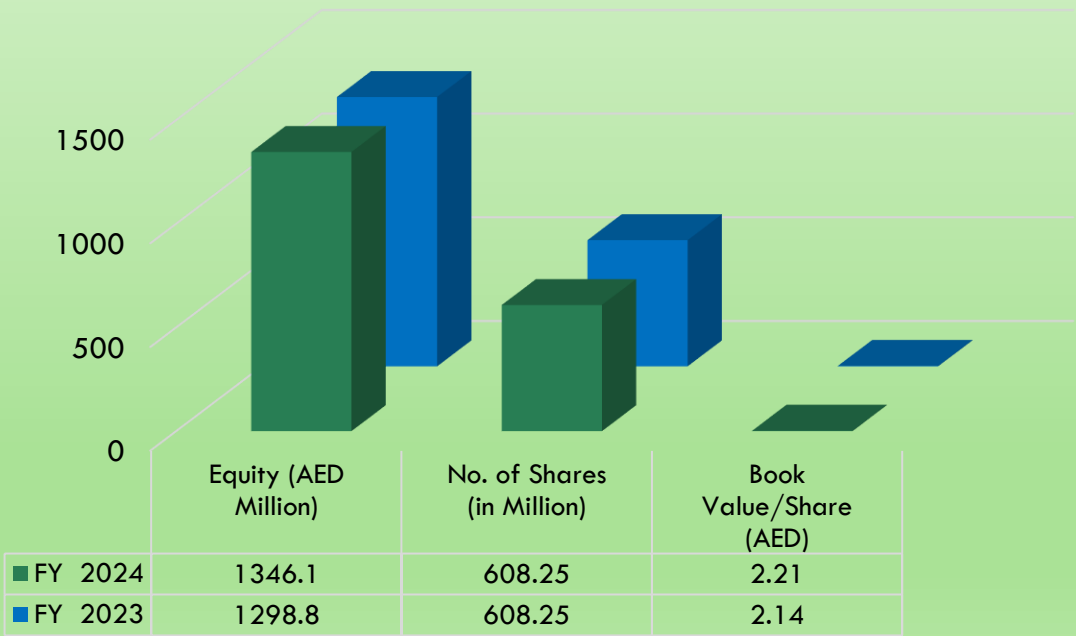
As a major cement producer, we play a significant role in the economic development of the Emirates of Sharjah and the UAE. Below are the key financial highlights.



Debt Equity Ratio (in Million)



Book Value per Share (AED)



Production Performance & Efficiency



All four factories of SCIDC have been established with a strong focus on quality. Our products demand premium prices due to our high standards of quality management and operating systems.

People Quality

- All factory managers have more than 35 years of relevant industry experience.
- All departmental heads have more than 25 years of relevant industry experience.
- Support of young and dynamic teams of professionally qualified people.
- Regular training of our people to expand their knowledge to keep pace with rapidly expanding technological innovations.

Product Quality

- State of the art quality labs with latest equipment.
- Online and continuous testing of product quality.
- Strict compliance with local and international quality norms.

Process Quality

- Strict adherence to local and international quality standards (ISO, ASTM, API and BSEN standards).
- Online and continuous product quality monitoring.
- Preventive daily, weekly, monthly, and annual maintenance schedules for all plant and equipment.
- Regular plant upgrades to adopt latest technologies.

Good Corporate Governance



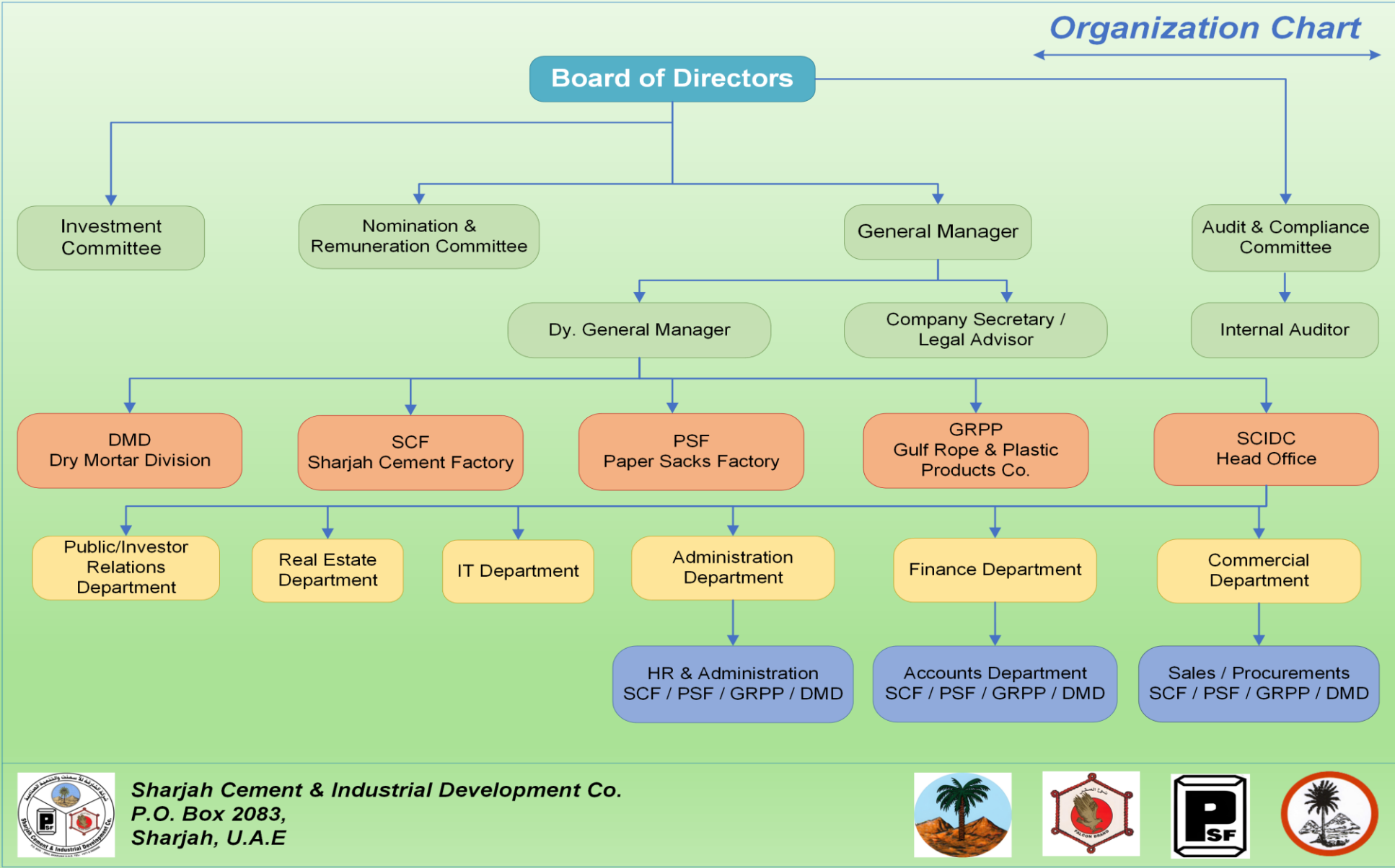
SCIDC realizes the importance of the efforts made by the Securities and Commodities Authority ("SCA") as well as, all the regulatory authorities.

We applaud their efforts in creating and adding control systems for developing the supervisory and regulatory process in regulating the affairs of public joint-stock companies.

We strictly abide by and implement all the directives issued by SCA, which are based on the fundamental principles of accountability, transparency, disclosure, responsibility and equality for protection and balance between all company stakeholders and equality among all shareholders.

The company has established standard policies and procedure manuals for strict application of the code of conduct and accountability with respect to the application of the guidelines included in the "SCA Resolution".

Organization Chart





HEALTH SAFETY & WELLBEING OF OUR PEOPLE

The World Health Organization defines health as a state of complete mental, social, and physical well-being, rather than simply the absence of disease or illness. Promoting well-being is beneficial for both employees and organizations, as positive working environments are crucial for organizational success and employee engagement. SCIDC acknowledges the importance of the work environment and job nature on health and safety and has made them a primary focus. As an organization, we also have a responsibility to prioritize and enhance the physical and emotional health, safety, and well-being of our employees.



Human Rights

Principles of Human Rights guide our relationship with employees, suppliers, customers, and the communities we operate in. We are committed to ensuring that all our employees are safe, supported and always respected.

We encourage all employees to report any possible violations of our code of ethics through various channels in place.

We fully comply with the Labour Law in vogue and abide by all the policies laid out by the Ministry of Human Resources and Emiratization and ensure that this also extends to all our subcontracted personnel. We subcontract from companies approved by the Ministry of Interior and conduct a Health Safety and Environment induction training for new personnel.

Our suppliers and partners are also expected to adopt responsible practices to create a positive work environment.



Our Human Capital

People cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets. Education, training, and health are the most important investments in human capital. The value of an individual's experience and skills is the repository of human capital that any organization possesses. These attributes are important as they help employees to perform their jobs more effectively and efficiently.

Employees at SCIDC are a determined team, together we have achieved several important milestones to ensure that the plant is run efficiently. Two projects that are worth mentioning are the Dry Mortar Division to produce Dry Mortar products, Jumbo Bag Filling stations and Jumbo bag Manufacturing plant. Expertise in project management and technical skills has helped SCIDC in the completion of these projects on time.

Diversity and Inclusion

In a diverse and inclusive environment all employees establish a sense of belonging, this is the reason employees feel connected at work and tend to deliver their best and produce quality work. This in a natural way brings in large gains to the organization by keeping the employees engaged, continuous innovation, improving business results and decision making. To strengthen engagement and accelerate trust in our employees we believe in the following principles when it comes to diversity and inclusion.

- > Branding and Culture
- > Focus on increasing employee potential.
- > Interconnect to positive change.
- > No top-down approach
- > Sense of belonging
- > Compassionate Leadership

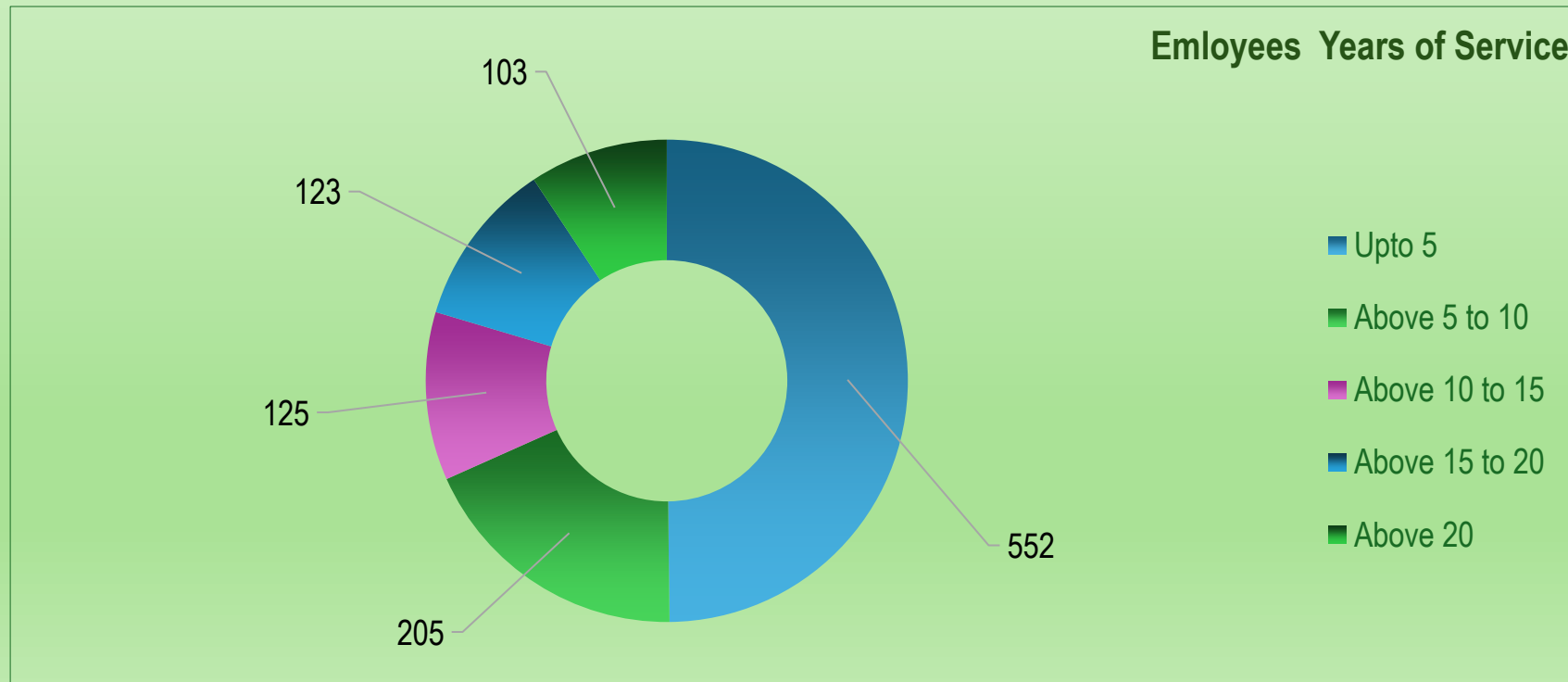
Employee Attraction and Retention

“You’re not just recruiting employees but are sowing the seeds of your reputation.” This quote is sensitive in all respects. It is a highly competitive environment where everyone is fishing from the same small talent pool and to successfully attract a resource from that pool is like getting people through the door which is only half the battle.

We have managed to attract as well as retain talent, as an organization by adopting the following practices:

- > A positive and pleasant work culture
- > Appealing living conditions and benefits
- > Technological advancement
- > Career Advancement
- > Professional development
- > Treating everyone equally
- > Inclusion in decision making

Our average years of retention of employees is over 8 years.



Employee Training

One of the best ways to enhance knowledge and skills is through training. By providing employees with training relevant to industry can help improve performance and efficiency in the workplace. This also helps the organization in preparing the employee to take up higher responsibilities and also reinforces the fact that they are valued. High potential employees are provided with opportunities to learn “on the job” which directly impacts the employee’s career advancement program. Classroom type training is also conducted throughout the year to improve people’s knowledge of advancement in technologies, product development and best practices in the industry.



Safety training is an ongoing activity throughout the year this encompasses , First Aid, CPR, Firefighting for both employees and family members residing in the Factory accommodations, Training for Heavy Duty Drivers on Road Safety, Safe offloading of cement and Safe Tipping of raw material, training on Cement Technology both for manufacturing and maintenance related and on various quality, Health, Environmental, Energy standards and to be updated with recent amendments in Labour laws.

Employee Engagement

When we invest in employee engagement and team building activities it encourages resilience and helps nurture a culture of growth and development in the workplace. A recent study done by Gartner, a research consultancy firm, has found that 82% of employees are motivated to stay and perform better when they are valued and engaged. Employee engagement is a beautiful platform when employees are recognized and rewarded, as an organization we realize that disengagement leads to lower employee productivity, lower customer engagement and higher employee attritions and to address these and build trust and transparency among employees we have been recognizing and rewarding employees on following best safety practices , timely project completion and execution of special tasks.



Our organization has provided ample space with facilities like Cricket and Football ground, Tennis Court, Badminton Court, Gymnasium, and a Children play area for the residents.

We conduct internal Cricket, Football, Volleyball, Badminton, Table Tennis, Carroms and Chess tournaments for employees and family members and also encourage participation of employees in tournaments organized by external sports councils in the UAE ,Rashid Al Leem Premium League, Sharjah Cricket Club, RAK Badminton, Volleyball by RAK Hospital, Badminton Sports Academy, Dubai, Sharjah Municipality to name a few.

For the enhancement of mind and body, a yoga, meditation room along with a gymnasium with the latest equipment have been provided and for brisk walkers a walking track in a garden atmosphere to walk, exercise and relax for employees and family members is a crowning accomplishment as this encapsulates a 360 degrees of people's engagement.



General Health Check Up Camp at Sharjah Cement Factory

Occupational Safety

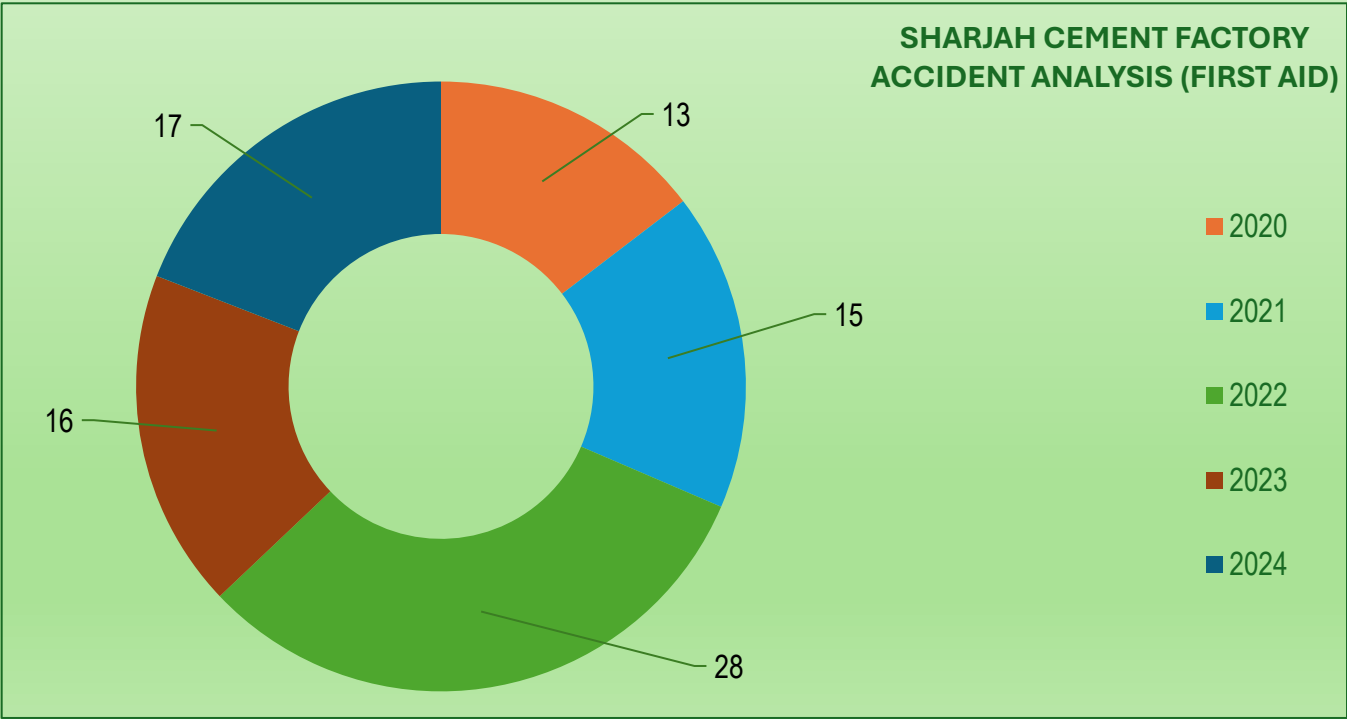
SCIDC Adopts ISO 45001-2018 (OHS) management systems by British Standard Institution (BSI). The HSE department of the company is headed by a full-time safety officer who is a qualified International Diploma Health and Safety Engineer.

He is also a CQI/IRCA Qualified Lead Auditor for ISO 45001-2018, Nebosh IG1 & IG2 & Affiliated member for IOSH also.

Our Safety record with graphs for five years:

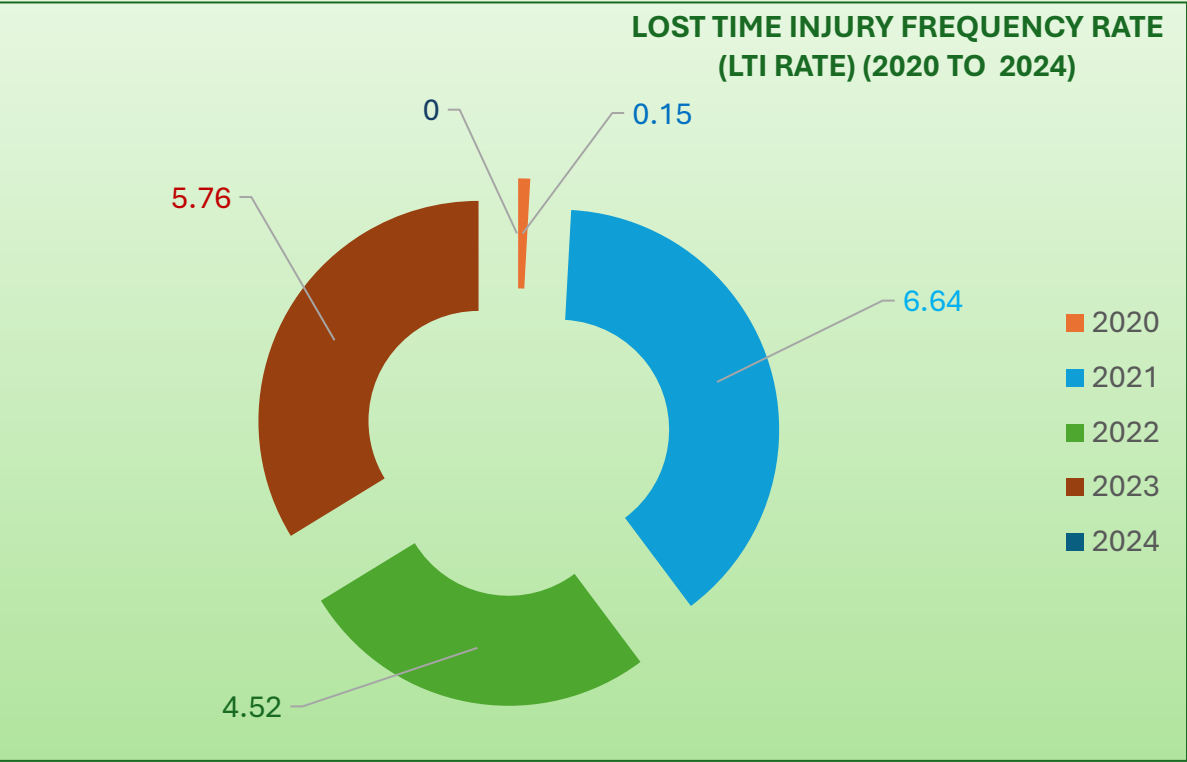
The company is proud of its safety record and has consistently improved its safety performance as shown in the five-year graph below:

1. Accident First Aid and Lost time Injury Analysis (2020 to 2024)

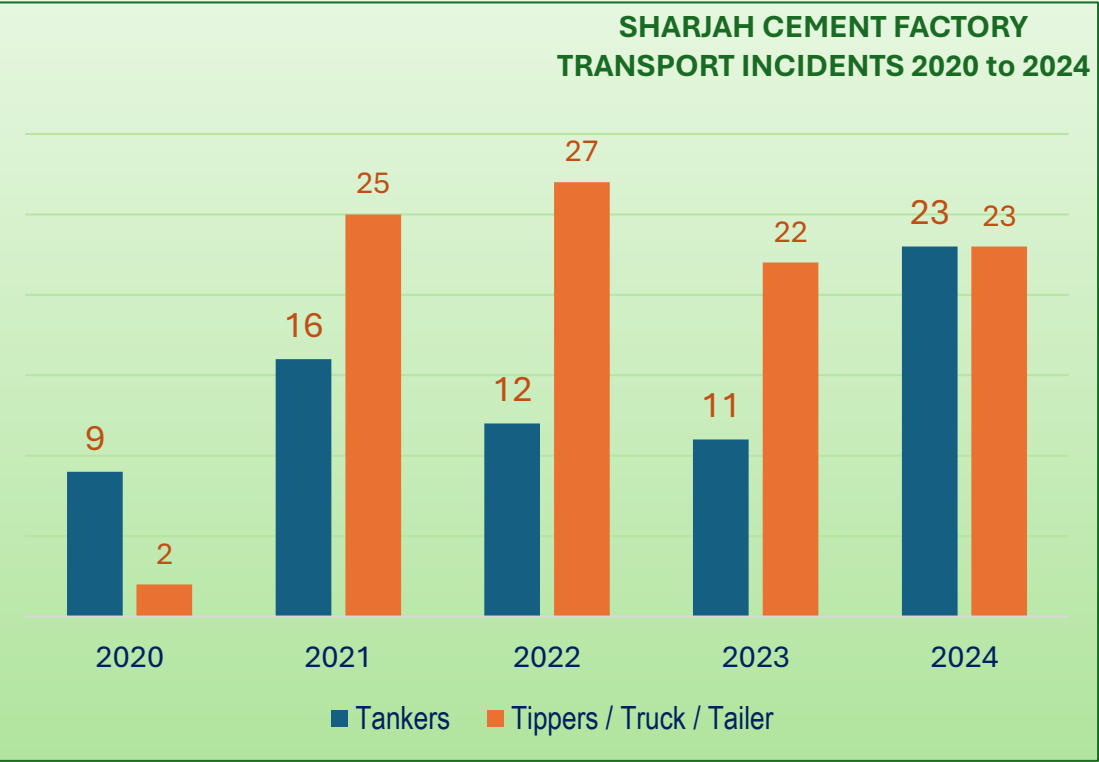


- ❖ No fatal accident is occurred during the last five years.
- ❖ Compared with the previous many a department strictly adhered to HSE norms resulting "ZERO" accidents.

2. Lost time Injury Analysis (2020 to 2024)



3. Transport incident (2020 to 2024)



❖ No major accidents during the last couple of years.



ENVIRONMENTAL LEADERSHIP, VISION AND MISSION



Sharjah Cement Factory was established in 1976 and has gained more than four decades of experience in manufacturing various types of quality cement and other cementitious products in strict compliance with relevant European and American Standards.

SCF operates under ISO 9001-2015 Quality Management Systems. We have also been awarded ISO 45001-2018 for occupational Health & Safety Management Systems ISO 14001-2015 Environmental Management Systems and ISO 50001-2018 for Energy Management System.

Our Environmental Vision

As a leading cement manufacturer in the region, we strive to be an eco-friendly organization that plays a pivotal role in protecting and sustaining the environment for the benefit of the current and future generations.

Our Environmental Mission

- Reduce the use of Coal and other fossil fuels.
- Reuse all plant waste to ensure zero waste to landfill.
- Recycle water, plastic and other wastes generated in the country in partnership with public and private players.
- Complete Compliance with all environmental regulatory requirements.

Environmental Goals and Achievements

Our Environmental Goals

- Use of Waste Heat Recovery Systems, increasing the share of renewable energy and alternative fuels to reduce coal consumption.
- Zero waste to landfill and complete reuse and safe disposal of all plant waste.
- Operate the plant with recycled water and zero consumption of fresh water in the plant.
- Work with private and public sector players for recycling and safe disposal of waste.
- Continuously invest in the state of the art environment-friendly technology for efficient production, distribution and use of energy and alternative fuels.
- Stringent compliance with all environmental regulatory requirements.

Our Achievements

➤ Waste Heat Recovery System

- Company's Waste Heat Recovery system was established in 2015 to generate up to 9 MW of electricity from exhaust gases of the Kilns which resulted in annual reduction of 70,000 tons of carbon and heat emissions into the atmosphere.

➤ Waste to Energy

- Sharjah Cement Factory invested more than USD 30 million in the latest technologies to upgrade its plant to burn alternative fuels instead of coal. Further investment in this area is currently being considered.
- Sharjah Cement Factory has signed multiple agreements with various Waste Management Organizations for supply of around 200,000 tons of Solid Recovered Fuel (SRF) generated from industrial and commercial waste in its landfill annually. This will replace coal and thereby reduce our carbon emissions and improve our environmental performance.
- With this agreement and other ongoing arrangements with Bee'ah and other public and private sector establishments, Sharjah Cement Factory will replace more than 50% to 60% of fossil fuel with alternative fuels. This has surpassed the minimum 10% prescribed by the law.



BEEAH RECYCLING AWARDS CEMENT FACTORY FOR LOWERING EMISSIONS

SHARJAH, 18th January, 2023 (WAM) -- BEEAH Recycling, the waste processing and material recovery business of BEEAH Group, has awarded the title of “Green Partner” to Sharjah Cement Factory for being among the UAE’s first cement production facilities to utilize lower emission fuels, contribute to net-zero emissions targets and support the circular economy.

The awarding ceremony was held at the BEEAH Group stand at the World Future Energy Summit (WFES) during Abu Dhabi Sustainability Week (ADSW) in the presence of Issa Al Hashemi, Assistant Under-Secretary for the Sustainable Communities Sector and Acting Assistant Under-Secretary for the Green Development and Climate Change Sector, Ministry of Climate Change and Environment and Khaled Al Huraimel, the Group CEO of BEEAH Group.

➤ Recycling of Waste

- Sharjah Cement factory has implemented “Zero waste to Landfill” whereby all waste including green waste, ash and other factory waste is recycled.

➤ Reuse of Water

- Sharjah Cement Factory has signed a reuse agreement with Sharjah Municipality whereby treated water will be supplied from its water treatment plant.
- The entire factory now runs on treated wastewater. We use Zero fresh water in the plant.
- Sharjah Cement Factory has established a water treatment Plant to recycle all household and factory wastewater which is then used for plantations.

➤ Safe Disposal of Waste

- We assist various Government departments and private companies for safe disposal of contraband, old paint, cloth, used oil and lubricants, construction waste, E-waste, tyres and such other items in strict compliance with emission norms.

➤ Green Plant

- Sharjah Cement Factory boasts to be the greenest plant in the region. During 2024, we have achieved a feat of planting more than 270 trees inside the factory campus in collaboration with the Sharjah Municipality & Ministry of Environment to increase green foliage cover. It is a time to reflect on the importance of environmental conservation and to act towards creating a sustainable future for future generations. At Sharjah Cement and Industrial Development Co., we are proud to join the global movement and do our part in preserving and protecting the environment. Below are some pictures of the initiatives taken in our organization. Our team is planting trees in the local surroundings to contribute to reforestation efforts. Every tree planted makes a difference in restoring biodiversity and fighting climate change. Let's remember that every action we take, no matter how small, has the power to make a positive impact on the environment. Together, we can create a sustainable future where nature thrives and our planet flourishes.





➤ Efficient Generation, Distribution and Utilization of Energy

- We have adopted the latest and efficient plant load management systems like First Bus Transfer (FBT) & Variable Frequency Drive (VFD) to ensure most efficient utilization of electricity.

➤ Compliance with Emission Norms

- All our plants are built with the latest technologies to reduce the SOx, NOx, dust and other emissions to the levels far below the limits set by Ministry of Environment.





CORPORATE SOCIAL RESPONSIBILITY

Emiratization

In tune with the vision of H.H. Dr. Sheikh Sultan Al Qasimi, Ruler of Sharjah, for development of Emirati youth, we provide on the job training in technical aspects in collaboration with local universities. We also facilitate factory visits for schools and college students to get acquainted with the finer aspects of Cement Manufacturing Technology.

Local Procurement and Supplier Management

Optimizing the value from the country's resources is the strategic goal of SCIDC's In-Country Value (ICV) initiative. The program aims to diversify the GDP, encourage emigration, and localize key skills in the nation. These are the program's most ambitious objectives. SCIDC received an ICV Certificate Score of 59%, a remarkable result in the cement industry, demonstrating the program's effectiveness. We are consistently trying to improve this % through our vendor development system based on the source of quality products. The significance of this score lies in its pivotal role in establishing SCIDC as a preferred supplier for clients, underscoring our dedication to bolstering local industry growth and advancing the wider economic goals of the UAE.

Community Investment

- We participate in the Environment Day celebrations in the Emirate and continuously spread the message of Greener planet through various events.
- We sponsor various Municipalities in the Emirate to develop the greenery landscape in the desert land.
- The Company also supports many charitable organizations and social institutions with donations to fulfill its corporate social responsibilities.





SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO. PJSC

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