



## Directors' Report

The Board of Directors has the pleasure in presenting the audited consolidated financial statements of Sharjah Cement and Industrial Development Co. (PJSC) ("the Company") and its subsidiary (collectively referred to as the "Group") for the year ended 31 December 2019.

### Principal activities

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

### Results for the year ended 31 December 2019

Consolidated Income Statement of the Group for the year ended 31 December 2019 is presented on page 9 and Consolidated Balance Sheet of the Group as of 31 December 2019 is presented on page 11 of the consolidated financial statements.

The Group has reported sales of AED 567,577 thousand (2018: AED 596,827 thousand) while the net profit for the year was AED 12,070 thousand (2018: AED 29,377 thousand). Shareholders' equity at 31 December 2019 was AED 1,415,836 thousand (2018: AED 1,442,784).

### Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2019.

### Transactions with related Parties

The consolidated financial statements disclose related party transactions and balances in note 25. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

### Auditors

KPMG were appointed as external auditors for the Group for the year ended 31 December 2019. A shareholder resolution to absolve them of their responsibility for the year ended 31 December 2019 is proposed. KPMG has been the auditor for the Group for three consecutive years and as per regulatory requirements, another audit firm will be appointed by shareholders at the Annual General Meeting.

Chairman

7 March 2020

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