

LCK/CS/2020-21/

January 29, 2021

The General Manager  
Pakistan Stock Exchange  
Limited  
Karachi

The Deputy Chief  
Securities & Exchange  
Commission of Pakistan  
Islamabad

The London Stock Exchange  
10 Paternoster  
Square,  
London

Dear Sir(s)

**FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020**


This is to inform you that the Board of Directors of our Company in their meeting held on Friday, January 29, 2021 at 3:30 p.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 recommended the following:

(i)	<b><u>Cash Dividend</u></b>	<b>Nil</b>
(ii)	<b><u>Bonus Issue</u></b>	<b>Nil</b>
(iii)	<b><u>Right Issue</u></b>	<b>Nil</b>
(iv)	<b><u>Interim Dividend</u></b>	<b>Nil</b>

The financial results of the Company consisting of Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Directors' Report are annexed.

We will be transmitting the half yearly report of the Company for the period ended December 31, 2020 in electronic form, according to Clause 5.6.8 of PSX Regulations as per your notice reference # PSX/N-4207 dated July 13, 2018.

Yours truly,  
for: **LUCKY CEMENT LIMITED**



**FAISAL MAHMOOD**  
**GM Finance & Company Secretary**

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at December 31, 2020**

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	(PKR in'000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	60,452,024	60,247,570
Intangible assets		5,652	11,323
		<u>60,457,676</u>	<u>60,258,893</u>
Long-term investments	6	50,194,485	47,144,485
Long-term loans and advances		92,401	87,008
Long-term deposits		3,175	3,175
		<u>110,747,737</u>	<u>107,493,561</u>
<b>CURRENT ASSETS</b>			
Stores and spares		8,986,276	6,520,170
Stock-in-trade		2,264,489	2,915,552
Trade debts		2,660,582	3,422,767
Loans and advances		667,631	390,966
Trade deposits and short term prepayments		80,592	81,169
Accrued return		23,385	47,572
Other receivables		2,136,835	3,670,300
Tax refunds due from the Government		538,812	538,812
Short term investment		10,012,633	2,970,999
Cash and bank balances		4,055,664	7,816,606
		<u>31,426,899</u>	<u>28,374,913</u>
<b>TOTAL ASSETS</b>		<u><u>142,174,636</u></u>	<u><u>135,868,474</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		<u>100,498,685</u>	<u>95,950,111</u>
		<u>103,732,435</u>	<u>99,183,861</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		238,112	233,062
Long-term liabilities		4,017,965	320,461
Deferred income - Government grant		570,005	59,720
Deferred liabilities	7	7,464,573	7,116,018
		<u>12,290,655</u>	<u>7,729,261</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		16,622,061	19,354,794
Current maturity of long-term loan		506,908	126,727
Short term borrowings		7,050,000	7,931,444
Unclaimed dividend		54,579	55,767
Unpaid dividend		17,580	17,580
Accrued markup		73,438	46,173
Taxation - net		1,826,980	1,422,867
		<u>26,151,546</u>	<u>28,955,352</u>
		<u>38,442,201</u>	<u>36,684,613</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>142,174,636</u></u>	<u><u>135,868,474</u></u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

MA 1

Chairman / Director

Chief Executive

Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income**  
For the half year ended December 31, 2020 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		(PKR in '000')		(PKR in '000')	
<b>Gross sales</b>	9	42,114,420	31,095,561	22,383,151	17,165,579
Less: Sales tax and federal excise duty		11,310,614	9,360,807	6,227,479	5,277,187
Rebates, incentive and commission		728,313	523,374	415,308	305,988
		12,038,927	9,884,181	6,642,787	5,583,175
<b>Net sales</b>		30,075,493	21,211,380	15,740,364	11,582,404
<b>Cost of sales</b>		(21,490,252)	(17,987,142)	(11,149,722)	(9,849,995)
<b>Gross profit</b>		8,585,241	3,224,238	4,590,642	1,732,409
Distribution cost		(2,670,911)	(1,894,420)	(1,313,976)	(919,103)
Administrative expenses		(602,756)	(597,328)	(316,280)	(296,901)
Finance cost		(155,624)	(47,946)	(87,520)	(28,080)
Other expenses		(474,968)	(194,311)	(274,858)	(89,774)
Other income	10	836,321	1,709,031	233,926	778,800
<b>Profit before taxation</b>		5,517,303	2,199,264	2,831,934	1,177,351
Taxation					
-current		(771,191)	(366,683)	(399,831)	(196,619)
-deferred		(204,940)	103,995	(117,379)	-
		(976,131)	(262,688)	(517,210)	(196,619)
<b>Profit after taxation</b>		4,541,172	1,936,576	2,314,724	980,732
<b>Other comprehensive income:</b>					
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods					
Unrealized income / (loss) on remeasurement of equity instrument at fair value through other comprehensive income		8,708	(920)	(2,974)	7,169
Deferred tax thereon		(1,306)	138	446	(1,075)
		7,402	(782)	(2,528)	6,094
<b>Total comprehensive income for the period</b>		4,548,574	1,935,794	2,312,196	986,826
		(PKR)		(PKR)	
<b>Earnings per share - basic and diluted</b>		14.04	5.99	7.16	3.03

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

AM 1 ~

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer



**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As at December 31, 2020**

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	199,949,404	190,881,880
Intangible assets		7,190,702	7,341,737
Right-of-use assets	6	276,005	318,279
		<u>207,416,111</u>	<u>198,541,896</u>
Long-term investments	7	25,878,131	23,970,762
Long-term loans and advances		677,175	617,130
Long-term deposits and prepayments		48,600	46,672
		<u>234,020,017</u>	<u>223,176,460</u>
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		10,743,597	8,072,831
Stock-in-trade		23,562,990	21,292,185
Trade debts		5,124,010	5,834,590
Loans and advances		2,531,720	1,636,587
Trade deposits and short-term prepayments		1,501,609	1,000,279
Other receivables		6,873,383	9,202,663
Tax refunds due from the Government		538,812	538,812
Taxation receivable		1,408,607	2,335,223
Accrued return		38,566	94,208
Short term investments		10,012,633	2,970,999
Cash and bank balances		30,310,256	15,731,810
		<u>92,646,183</u>	<u>68,710,187</u>
<b>TOTAL ASSETS</b>		<u>326,666,200</u>	<u>291,886,647</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		<u>120,175,050</u>	<u>110,543,591</u>
Attributable to the owners of the Holding Company		123,408,800	113,777,341
Non-controlling interests		19,778,674	17,709,710
Total equity		<u>143,187,474</u>	<u>131,487,051</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term liabilities		93,253,526	82,427,884
Long-term deposits		398,112	357,855
Deferred liabilities	8	11,131,177	11,133,530
Deferred income - Government grant		688,458	96,256
Leases		242,671	253,591
Other long term liabilities		5,071,098	5,331,774
		<u>110,785,042</u>	<u>99,600,890</u>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances		3,412,428	2,637,451
Trade and other payables		57,069,331	42,536,979
Provision for taxation		2,185,479	1,792,626
Accrued return		234,836	848,931
Short-term borrowings and running finance		9,573,900	12,830,116
Current portion of leases		57,752	79,256
Unclaimed dividend		142,378	55,767
Unpaid dividend		17,580	17,580
		<u>72,693,684</u>	<u>60,798,706</u>
		<u>183,478,726</u>	<u>160,399,596</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>326,666,200</u>	<u>291,886,647</u>

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income**  
**For the half year ended December 31, 2020 (Un-audited)**

	Note	Half Year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2020	2019	2020	2019
		(PKR in '000')		(PKR in '000')	
Revenue	10	123,717,385	79,558,047	65,866,542	45,128,401
Less: Sales tax and excise duty		22,555,576	15,451,506	14,669,091	9,768,404
Rebates, incentives and commission		5,346,520	3,367,235	495,929	1,800,630
		27,902,096	18,818,741	15,165,020	11,569,034
Cost of sales		95,815,289	60,739,306	50,701,522	33,559,367
		(75,604,492)	(51,092,724)	(39,263,700)	(28,256,427)
<b>Gross profit</b>		<b>20,210,797</b>	<b>9,646,582</b>	<b>11,437,822</b>	<b>5,302,940</b>
Distribution cost		(4,658,432)	(3,749,366)	(2,380,328)	(1,902,621)
Administrative expenses		(3,016,924)	(2,037,901)	(1,820,430)	(1,019,081)
Finance cost		(761,823)	(1,185,524)	(336,204)	(560,521)
Other expenses		(774,808)	(395,250)	(290,864)	(203,610)
Other income	11	3,309,440	2,792,289	1,801,506	1,406,594
<b>Profit before taxation</b>		<b>14,308,250</b>	<b>5,070,830</b>	<b>8,411,502</b>	<b>3,023,701</b>
Taxation					
- current		(2,025,343)	(1,402,122)	(1,130,560)	(653,295)
- deferred		161,858	254,107	31,588	25,386
		(1,863,485)	(1,148,015)	(1,098,972)	(627,909)
<b>Profit after taxation</b>		<b>12,444,765</b>	<b>3,922,815</b>	<b>7,312,530</b>	<b>2,395,792</b>
Attributable to:					
Owners of the Holding Company		10,365,155	3,212,118	6,015,664	1,939,939
Non-controlling interests		2,079,610	710,697	1,296,866	455,853
		12,444,765	3,922,815	7,312,530	2,395,792
<b>Other comprehensive income for the period</b>					
<b>Other comprehensive loss which may be reclassified to statement of profit or loss in subsequent periods</b>					
Foreign exchange differences on translation of foreign operations		(728,670)	(375,425)	(526,895)	(114,005)
<b>Other comprehensive income / (loss) which will not be reclassified to statement of profit or loss in subsequent periods</b>					
Unrealized gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income		8,708	(920)	(2,974)	7,169
Deferred tax thereon		(1,306)	138	446	(1,075)
		7,402	(782)	(2,528)	6,094
<b>Total comprehensive income for the period</b>		<b>11,723,497</b>	<b>3,546,608</b>	<b>6,783,107</b>	<b>2,287,881</b>
Attributable to:					
Owners of the Holding Company		9,643,887	2,835,911	5,486,241	1,832,028
Non-controlling interests		2,079,610	710,697	1,296,866	455,853
		11,723,497	3,546,608	6,783,107	2,287,881
Earnings per share - basic and diluted		(PKR) 32.05	(PKR) 9.93	(PKR) 18.60	(PKR) 6.00

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

## Directors' Report

The Directors have the pleasure in presenting to you the financial results of your Company which include both, **stand-alone** (duly reviewed by the auditors) and **consolidated unaudited financial statements** for the half year ended December 31, 2020.

## Overview

### Financial Performance – Consolidated

On a **consolidated basis**, your Company achieved a gross turnover of PKR 123.72 billion which is 55.51% higher as compared to the same period last year's turnover of PKR 79.56 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 12.44 billion of which PKR 2.08 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 32.05 during the current half year ended December 31, 2020 as compared to PKR 9.93 during the same period last year.

The **consolidated** financial performance of your Company for the half year ended December 31, 2020 as compared to last year is presented below:

Particulars	PKR in millions except EPS		
	Half Year 2020-21	Half Year 2019-20	Change (%)
Gross Revenue	123,717	79,558	56%
Net Revenue	95,815	60,739	58%
GP	20,211	9,647	110%
OP	12,535	3,859	225%
EBITDA	16,873	7,652	121%
NP (Attributable to Owners' of the holding company)	10,365	3,212	223%
EPS (PKR/share)	32.05	9.93	223%

During the half year 2020-21 under review, your Company's overall Consolidated Net Profit increased by 2.17 times as compared to the same period last year.

The increase in Net profit was mainly attributable to increase in net profitability of Cement segment (Holding Company) which grew by 134% due to higher turnover supported by absorption of fixed costs and efficiencies achieved from new production line in the North (as explained in details below). The increase in Net Profit of holding company was also supported by considerable increase in Net Profits of Lucky Motor Corporation on account of strong growth in automobile sales. Also, LCL Investment Holdings Limited delivered a healthy performance as compared to same period last year owed to growth in sales volume, coupled with improved retention price and decrease in input costs from both Congo & Iraq projects.



## Industry and Company Performance – Standalone

**Cement industry** in Pakistan grew by 15.7% to 28.64 million tons during the half year ended December 31, 2020 in comparison to 24.75 million tons during the same period last year. The local sales volume registered a healthy growth of 15.9% to reach 23.61 million tons during the half year under review versus 20.37 million tons during same period last year. Export sales volumes also registered an increase of 14.7% to reach 5.02 million tons during 1HY 2020-21 compared to 4.38 million tons during same period last year. This increase in industry sales volume is mainly attributable to surge in economic activity duly supported by various business friendly initiatives introduced by the Government and resumption of various infrastructure projects under CPEC as well as introduction of low cost housing projects.

In comparison to the Cement Industry, your **Company's** overall sales volumes posted a high double digit growth of 35.9% to reach 4.99 million tons during 1HY 2020-21. The local sales volumes grew by 41.2% to reach 3.66 million tons in comparison to 2.59 million tons during the same period last year. Also, the export sales volumes of the Company increased by 23.3% to 1.34 million tons as compared to 1.08 million tons during the same period last year.

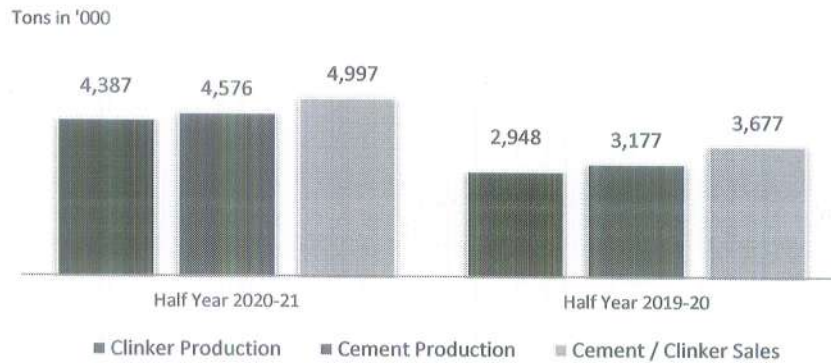
The increase in Company's local sales volume during the period under review is mainly due to enhancement of operational capacity at Pezu Plant coupled with higher demand due to upsurge in economic activities. Moreover, growth in export sales volume is mainly due to higher exports of loose cement owed to improved demand.

## Production & Sales Volume Performance – Standalone

The **standalone** production and sales statistics of your Company for the half year ended December 31, 2020 compared to the same period last year are as follows:

Particulars	Half Year 2020-21	Half Year 2019-20	Growth/ (Decline) %
	Tons in '000'		
Clinker Production	4,387	2,948	48.8%
Cement Production	4,576	3,177	44.0%
Cement / Clinker Sales	4,997	3,677	35.9%

The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the **Industry** and your **Company's standalone business** for the half year ended December 31, 2020 in comparison with the same period last year is presented below:

Particulars (Tons in '000')	Half Year 2020-21	Half Year 2019-20	Growth / (Decline) %	
<b>Cement Industry*</b>				
Local Sales	23,615	20,373	3,242	15.9%
Export Sales				
- Bagged	2,182	2,279	(97)	(4.3%)
- Loose	226	21	205	976.2%
- Clinker	2,614	2,077	537	25.9%
Total Exports	5,022	4,377	645	14.7%
Grand Total	28,637	24,750	3,887	15.7%
<b>Lucky Cement</b>				
Local Sales				
- Cement	3,662	2,549	1,113	43.7%
- Clinker	-	45	(45)	(100.0%)
	3,662	2,594	1,068	41.2%
Export Sales				
- Bagged	660	600	60	10.0%
- Loose	226	21	205	976.2%
- Clinker	449	462	(13)	(2.8%)
Total Exports	1,335	1,083	252	23.3%
Grand Total	4,997	3,677	1,320	35.9%
<b>Market Share</b>				
	Half Year 2020-21	Half Year 2019-20	Growth/ Decline	
Local Sales	15.5%	12.7%	22.0%	
Export Sales				
- Bagged	30.2%	26.3%	14.8%	
- Loose	100.0%	100.0%	0.0%	
- Clinker	17.2%	22.2%	(22.5%)	
Total Export	26.6%	24.7%	7.7%	
Grand Total	17.4%	14.9%	16.8%	

\* Industry data is based on best available market estimates

Lucky Cement Limited

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URL: www.lucky-cement.com





## Financial Performance - Standalone

The **standalone** financial performance of your Company for the half year ended December 31, 2020 as compared to the same period last year is presented below:

PKR in millions except EPS

Particulars	Half Year 2020-21	Half Year 2019-20	Change (%)
Gross Revenue	42,114	31,096	35.4%
Net Revenue	30,075	21,211	41.8%
GP	8,585	3,224	166.3%
OP	5,312	732	625.7%
EBITDA	7,463	2,471	202.0%
NP	4,541	1,937	134.4%
EPS	14.04 / Share	5.99 / Share	134.4%

### Revenue

During the half year 2020-21 under review, your Company's overall gross sales revenue increased by 35.4% as compared to the same period last year. Where both export and local sales revenue showed an increase of 22.5% (PKR 7.87 billion vs PKR 6.43 billion) and 38.8% (PKR 34.24 billion vs PKR 24.67 billion) respectively.

### Cost of Sales

During the half year 2020-21 under review, per ton cost of sales of your Company decreased by 12.1% as compared to the same period last year. This was due to better absorption of fixed cost as a result of increase in volumes and efficiencies achieved from new production line in the North.

### Gross Profit

The Gross profit margins of the company for the half year under review were 28.5% as compared to 15.2% reported during the same period last year.





Similarly, your Company achieved a profit before tax of PKR 5.52 billion during the half year under review as compared to PKR 2.19 billion reported during the same period last year.

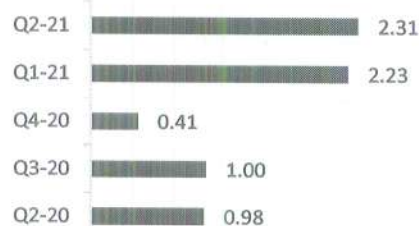
Accordingly, after tax profit of PKR 4.54 billion was achieved during the half year under review as compared to PKR 1.94 billion reported during the same period last year.

### Earnings per share

The earnings per share of your Company for the half year ended December 31, 2020 was PKR 14.04 in comparison to PKR 5.99 reported during the same period last year.

### Net Profit After Tax

PKR in Billions



### EPS Trend PKR



## Investments Projects – New and Ongoing

### Investment in 1 x 660 MW, supercritical, coal based power project

The construction activity for setting up 660 MW super critical, lignite coal-based power plant was moving as per Schedule before the outbreak of COVID-19 in China with the targeted Commercial Operation on March 1, 2021. The Contractor as a result of the removal of certain restrictions by the Government of Pakistan has notified the cessation of FME (Force Majeure Event) on September 3, 2020, which was earlier notified on February 6, 2020. The Company accordingly notified the same to the Central Power Purchasing Agency (CPPA) and Private Power Infrastructure Board (PPIB) and stated that despite FME, the Company is striving to achieve its COD as per the targeted timeline. The project has achieved completion status of approximately 95% by end of this quarter.

The CPPA, based on FME notice received by it from National Transmission and Dispatch Company (NTDC), notified the Company about FME through its letter dated March 25, 2020, stating therein that COVID-19 outbreak has caused a complete halt to transmission planning, design, engineering, project development and execution of the inter-connection works. Subsequently CPPA has also notified cessation of OFME (Other Force Majeure Event) vide their letter dated October 16, 2020. In the said notice it was also intimated that Interconnection related activities have recommenced from October 1, 2020 while the period till September 30, 2020 shall be treated as excused. The Company in consultation with its legal counsel has not accepted the CPPA's OFME claim because delay in interconnection works comes under

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URL: www.lucky-cement.com







the ambit of concurrent delay as per PPA due to NTDC's inability to resolve right of way issues with PQA, FOTCO, Pakistan Steel and Board of Revenue Sindh.

At present, the Company is following up with CPPA, NTDC and PPIB for the earliest availability of an interconnection facility which is essential for achieving the COD. Based on the current level of readiness by NTDC for providing interconnection facility and the Government eagerness to extend necessary support to power purchaser in this respect, it appears that project may achieve its Commercial Operation by mid of first quarter FY 2022.

#### **Greenfield cement production facility in Samawah, Iraq – 1.2 million tons per annum**

Plant is complete in all respect. Kiln was fired in 1<sup>st</sup> week of January 2021 and trial production has commenced on 15<sup>th</sup> January 2021. Despite the impacts of Covid-19 pandemic situation, project has successfully achieved its' milestones on time and expected to start commercial production in February 2021.

### **Corporate Social Responsibility**

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Your Company is committed to continuing its support towards Education, Women empowerment, and Health. Development of society and the communities in which your Company operates has always been a priority.

#### **Education / Scholarships**

In continuation of its long-term objective to provide merit-based support for the deserving and less privileged segments of the society, your Company continued to extend scholarships to various students of leading universities in Pakistan and abroad.

Furthermore, your company also launched two dedicated scholarship programs for the deserving youth of District Lakki Marwat. The aim of these programs is to make education accessible and affordable for deserving students especially from the rural areas regardless of their financial background.

#### **Women Empowerment**

Women empowerment through education has been an ongoing process in which your Company with the collaboration of Zindagi Trust has been supporting two leading Government girls' schools in Karachi. These schools have been transformed into model girls' educational institutions in Pakistan.

Further to this, your Company has also collaborated with Shahid Afridi Foundation (SAF) and adopted primary school in the remote area of Karachi to improve primary level education for the less privileged.





### Health Initiatives

The facilitation of quality healthcare for society at large continues to remain your Company's priority, particularly through the financial support of Aziz Tabba Foundation; a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap of specialized and modern medical care available in the Country.

### Environment Conservation

Your Company always takes responsibility towards the environment seriously and in an effort to highlight the significance of the environment conservation; your Company continued with its pro-environment initiatives including tree-plantation drives in and around its manufacturing sites.

### Outlook

After the moderation of first wave of Covid-19 in recent past, the second wave of this infection has started to pose challenges. The Government is countering the spike of the second wave through smart lockdowns instead of general shutdown to keep the economic wheel rolling.

Barring this, in the short to medium term, the Outlook of the Cement industry remains positive. Due to increase in economic activity, the local demand has shown healthy growth both in the North and South regions compared to same period last year. As a result, price improvement can be seen mainly in the North region. Export demand is also expected to remain steady in the near future. On the other hand, there will be a pressure on margins due to rise in international coal and crude oil prices.

Moreover, we also expect that the package announced for the construction industry by the Federal Government coupled with various initiatives taken by State Bank of Pakistan to support the local industry will continue to have a positive impact on the local demand of cement in the country.

Your Company's strong financial position and free cash flow generating ability are anticipated to further support its Vision to improve operational efficiencies as well as make new investments, which can bring in further improvement in efficiencies and enhance shareholders' value.

### Acknowledgement

Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

On behalf of the Board

  
**MUHAMMAD YUNUS TABBA**  
 Chairman / Director

  
**MUHAMMAD ALI TABBA**  
 Chief Executive / Director

Karachi: January 29, 2021

Lucky Cement Limited

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