

NOTES TO THE UN AUDITED FINANCIAL STATEMENTS

General

Construction Materials Industries SAOG (the “Company”) is an Omani Joint Stock Company registered in the Sultanate of Oman on June 15, 1977 under the commercial registration No. 1/05292/6. The Company’s registered address is P O Box 36, Postal Code 327, Sohar Industrial City, Sultanate of Oman. The principal activities of the Company are manufacturing and supply of lime and lime stone products.

These financial statements are presented in Rials Omani (RO) since that is the currency in which the majority of the transactions are denominated.

1. CASH AND BANK BALANCES

	2025	2024
	June	December
	RO.	RO.
Cash balance	7,000	7,000
Bank balance	<u>274,049</u>	<u>397,907</u>
	<u>281,049</u>	<u>404,907</u>

2. TRADE AND OTHER RECEIVABLES

	2025	2024
	June	December
	RO.	RO.
Trade receivable	717,870	743,975
Less: Allowance for doubtful debts	<u>(156,253)</u>	<u>(156,253)</u>
Net trade receivable	561,617	587,722
Prepaid expenses	66,888	40,021
Advance paid to suppliers - net	16,392	4,464
Other receivables	<u>187,216</u>	<u>230,476</u>
	<u>832,113</u>	<u>862,683</u>

3. INVENTORIES

	2025	2024
	June	December
	RO.	RO.
Finished goods	591,313	490,906
Raw Materials	1,646,170	1,658,176
Stores, Spares and packing materials	<u>281,206</u>	<u>290,537</u>
	2,518,689	2,439,619
Allowance for slow & nonmoving inventory	<u>(691,906)</u>	<u>(691,906)</u>
	<u>1,826,783</u>	<u>1,747,713</u>

4. TRADE AND OTHER PAYABLES

	2025	2024
	June	December
	RO.	RO.
Trade payables (Net)	354,926	324,822
Advance from Customers	18,852	5,462
Accruals and other payables	<u>119,857</u>	<u>87,469</u>
	<u>493,635</u>	<u>417,753</u>

5. PROVISION FOR DEFERRED TAX

Movement in income tax liability is as follows:

2025	2024
June	December



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	RO.	RO.
Balance as of January 1	130,855	127,395
Tax paid during the year	----	----
Deferred Tax Credit	<u>---</u>	<u>3,460</u>
Closing balance	<u>130,855</u>	<u>130,855</u>

The Company has not provided for income tax for the current period in accordance with the income tax laws of the Sultanate of Oman due to accumulated loss for more than five years.

6. EMPLOYEES TERMINAL BENEFITS

	2025	2024
	June	December
	RO.	RO.
Balance at January 1	189,857	177,325
Current service costs	5,282	21,668
Settlement during the period	<u>----</u>	<u>(9,136)</u>
Balance at the end of the period	<u>195,139</u>	<u>189,857</u>

7. BANK TERM LOAN

Company has obtained a term loan of RO.1,019,000/- from one of the leading commercial banks operating in Sultanate of Oman for financing its 15MTPH New Hydrated Lime Plant project at 80% for procuring machineries, equipment and other project related work. The loan balance as on 30th June 2025 is RO.926,498/-.

8. SHARE CAPITAL

	2025	2024
	June	December
	RO.	RO.
Authorized capital	<u>20,000,000</u>	<u>20,000,000</u>
Two hundred million share of 0.100 each .		
Paid up capital	<u>6,250,000</u>	<u>6,250,000</u>
Sixty Two million Five hundred thousand shares of 0.100 each		

Details of shareholders of the Company who own 5% or more of the Company's shares and the number of shares they hold are as follows:

<u>2025</u>	<u>2024</u>
<u>June</u>	<u>December</u>



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	%	Number	%	Number
Mr. Khalid Abdullah Al Jabri	24.90	15,562,500	24.90	15,562,500
Mr. Fahad Abdul Rahman Al Azzani	23.34	14,590,379	23.34	14,590,379
Mr. Said Sulaiman Ahmed Al Hooqani	5.52	3,452,567	5.52	3,452,567
Mr. Tariq Sulaiman Ahmed	5.23	3,271,221	5.23	3,271,221
M/s. First National	5.00	3,125,000	5.00	3,125,000

The Company has one class of ordinary shares, which carry no right to fixed rate.

9. LEGAL RESERVE

The Legal Reserve, which is not available for distribution, is being accumulated in accordance with Article 106 of the Commercial Companies Law of 1974. The annual appropriation shall be 10% of the profit of the Company until such time when the Legal Reserve amounts to at least one-third of the capital.

10. NET ASSETS PER SHARE

Net assets per share are calculated by dividing the net assets attributable to the shareholders of the Company by the number of shares outstanding at the end the period is as follows:

	2025	2024
	June	December
Net assets (RO.)	<u>6,446,697</u>	<u>6,491,865</u>
Number of shares outstanding (Nos.)	<u>62,500,000</u>	<u>62,500,000</u>
Net assets per share [RO.0.100 each] (RO.)	<u>0.103</u>	<u>0.104</u>

11. COST OF SALES

	2025	2024
	June	June
	RO.	RO.
Opening stock – finished goods	490,905	601,710
Raw materials consumed	316,269	259,606
Salaries and wages	202,717	167,133
Factory costs	343,086	340,891
Amortization of ROU asset	41,946	41,946
Depreciation on property, plant and equipment	131,533	109,331
Transport costs	247,610	225,638
Closing stock – finished goods	<u>(591,313)</u>	<u>(486,460)</u>
	<u>1,182,753</u>	<u>1,259,795</u>

12. OTHER INCOME

2025	2024
June	June
RO.	RO.



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Miscellaneous	<u>2,754</u>	<u>2,000</u>
	<u>2,754</u>	<u>2,000</u>

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
	June	June
	RO.	RO.
Salaries and related costs	118,125	116,146
Legal & Professional charges	14,004	11,328
Allowances for expected credit losses	----	4,153
Depreciation on property, plant and equipment	6,898	7,213
Repairs and maintenance	11,999	7,035
Utilities	4,324	3,746
Directors Sitting Fee	8,250	10,000
Registration and certification	3,203	2,832
Printing and Stationery	1,588	1,385
Meeting Expenses	3,496	3,801
Travelling	141	281
Bank Charges	1,551	2,076
Insurance	898	863
Miscellaneous	<u>2,125</u>	<u>2,101</u>
	<u>176,602</u>	<u>172,960</u>

14. SELLING AND DISTRIBUTION EXPENSES

	2025	2024
	June	June
	RO.	RO.
Salaries and related costs	19,808	18,561
Ministry/Custom Charges	15,373	14,637
Advertisements & Sales Promotion	1,293	116
Export Credit Insurance	1,341	2,652
Communication expenses	2,164	1,892
Vehicle expenses	1,380	1,354
Travelling	2,566	834
Miscellaneous	<u>2,834</u>	<u>2,860</u>
	<u>46,759</u>	<u>42,906</u>

15. INTEREST (NET)

	2025	2024
	June	June
	RO.	RO.
Interest on lease liability (IFRS16)	15,041	16,978



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Interest Expenses / (Income) - net	<u>14,847</u>	<u>(1,619)</u>
	<u>29,888</u>	<u>15,359</u>

16. EARNINGS PER SHARE

	2025	2024
	June	June
Profit for the Period (RO.)	<u>(45,168)</u>	<u>(94,354)</u>
Total number of shares (Nos.)	<u>62,500,000</u>	<u>62,500,000</u>
Earnings per share (RO.)	<u>(0.0007)</u>	<u>(0.0015)</u>

The par value of each share is RO.0.100. The earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

17. RELATED PARTY TRANSACTIONS

Related parties comprise the Directors, key businesspersons and business entities in which they have the ability to control or exercise significant influence on financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transaction and are entered into at terms and condition which the management considers to be comparable with those adopted for arm's length transactions with third parties.

a) Balances with related parties

Due to related parties	2025	2024
	June	June
	RO.	RO.
	----	----

The amount due to a related party is interest free and repayable on demand.

b) Transactions with related parties

	2025	2024
	June	June
	RO.	RO.
Sales	----	----
Purchases	1,523	1,775

c) Key management compensation

	2025	2024
	June	June
	RO.	RO.
Directors' sitting fees	<u>8,250</u>	<u>10,000</u>

Remuneration to managing director is as per agreement and of continuous in nature. Directors' sitting fees is based on the attendance of directors in meetings.

18. GENERAL

The figures in the financial statements are rounded off to the nearest Omani Rials. Certain comparative figures have been regrouped to enhance comparability with the current period



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