

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 September RO.	2024 December RO.
Cash balance	7,000	7,000
Bank balance	<u>127,349</u>	<u>397,907</u>
	<u>134,349</u>	<u>404,907</u>

2. TRADE AND OTHER RECEIVABLES

	2025 September RO.	2024 December RO.
Trade receivable	782,986	743,975
Less: Allowance for doubtful debts	<u>(156,253)</u>	<u>(156,253)</u>
Net trade receivable	626,733	587,722
Prepaid expenses	56,178	40,021
Advance paid to suppliers - net	1,097	4,464
Other receivables	<u>208,605</u>	<u>230,476</u>
	<u>892,613</u>	<u>862,683</u>

3. INVENTORIES

	2025 September RO.	2024 December RO.
Finished goods	553,071	490,906
Raw Materials	1,632,717	1,658,176
Stores, Spares and packing materials	<u>285,687</u>	<u>290,537</u>
	2,471,475	2,439,619
Allowance for slow & nonmoving inventory	<u>(691,449)</u>	<u>(691,906)</u>
	<u>1,780,026</u>	<u>1,747,713</u>

4. TRADE AND OTHER PAYABLES

	2025 September RO.	2024 December RO.
Trade payables (Net)	397,568	324,822
Advance from Customers	18,829	5,462
Accruals and other payables	<u>98,723</u>	<u>87,469</u>
	<u>515,120</u>	<u>417,753</u>

5. PROVISION FOR DEFERRED TAX



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Movement in income tax liability is as follows:

	2025	2024
	September	December
	RO.	RO.
Balance as of January 1	130,855	127,395
Tax paid during the year	---	---
Deferred Tax Credit	---	<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
	September	December
	RO.	RO.
Balance at January 1	189,857	177,325
Current service costs	21,082	21,668
Settlement during the period	<u>(17,958)</u>	<u>(9,136)</u>
Balance at the end of the period	<u>192,981</u>	<u>189,857</u>

7. BANK TERM LOAN

Company has availed term loans to the tune of RO.1,539,000/- from one of the leading commercial banks operating in Sultanate of Oman for financing its 15MTPH New Hydrated Lime Plant project and 100MTPD Old Lime Kiln revamping work at 80% for procuring machineries, equipment and other project related work. The term loans balance as on 30th September 2025 is RO.1,307,106/-. An amount of RO.136,943/- has been settled towards the term loan obtained for New Hydrated Lime Plant project during the reporting period.

8. SHARE CAPITAL

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

Details of shareholders of the Company who own 5% or more of the Company's shares



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and the number of shares they hold are as follows:

	2025		2024	
	September		December	
	%	Number	%	Number
Mr. Khalid Abdullah Al Jabri	24.90	15,562,500	24.90	15,562,500
M/s. Malkawi International Trading Ltd	22.72	14,199,203	---	----
Mr. Fahad Abdul Rahman Al Azzani	0.63	391,176	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 September	2024 December
Net assets (RO.)	<u>6,459,510</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>0.1034</u>	<u>0.1039</u>

11. COST OF SALES

	2025 September RO.	2024 September RO.
Opening stock – finished goods	490,905	601,647
Raw materials consumed	496,546	415,648
Salaries and wages	295,687	255,916
Factory costs	540,248	535,588
Amortization of ROU asset	62,919	62,919
Depreciation on property, plant and equipment	210,129	173,023
Transport costs	499,185	302,304
Closing stock – finished goods	<u>(553,071)</u>	<u>(491,563)</u>
	<u>2,042,548</u>	<u>1,855,482</u>

12. OTHER INCOME



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	2025	2024
	September	September
	RO.	RO.
Miscellaneous	<u>5,174</u>	<u>7,315</u>
	<u>5,174</u>	<u>7,315</u>
13. <u>GENERAL AND ADMINISTRATIVE EXPENSES</u>		
	2025	2024
	September	September
	RO.	RO.
Salaries and related costs	174,870	172,527
Legal & Professional charges	22,694	18,567
Allowances for expected credit losses	----	374
Depreciation on property, plant and equipment	10,289	10,922
Repairs and maintenance	17,764	10,745
Utilities	7,155	6,422
Directors Sitting Fee	12,500	14,250
Registration and certification	4,847	4,279
Printing and Stationery	2,219	2,019
Meeting Expenses	4,186	4,630
Travelling	344	402
Bank Charges	2,518	2,906
Insurance	1,298	1,336
Miscellaneous	<u>2,815</u>	<u>2,914</u>
	<u>263,499</u>	<u>252,293</u>
14. <u>SELLING AND DISTRIBUTION EXPENSES</u>		
	2025	2024
	September	September
	RO.	RO.
Salaries and related costs	28,963	28,306
Ministry/Custom Charges	26,555	21,852
Advertisements & Sales Promotion	1,477	507
Export Credit Insurance	2,582	3,819
Communication expenses	3,446	2,620
Vehicle expenses	1,983	2,062
Travelling	2,903	1,523
Marine Cargo Insurance	1,583	1,193
Independent laboratory test fees	1,862	746
Miscellaneous	<u>1,874</u>	<u>2,058</u>
	<u>73,228</u>	<u>64,686</u>
15. <u>INTEREST (NET)</u>		



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	2025	2024
	September	September
	RO.	RO.
Interest on lease liability (IFRS16)	22,321	25,216
Interest Expenses / (Income) - net	<u>34,157</u>	<u>1,435</u>
	<u>56,478</u>	<u>26,651</u>

16. EARNINGS PER SHARE

	2025	2024
	September	September
	RO.	RO.
Profit for the Period (RO.)	<u>(32,355)</u>	<u>(66,390)</u>
Total number of shares (Nos.)	<u>62,500,000</u>	<u>62,500,000</u>
Earnings per share (RO.)	<u>(0.0005)</u>	<u>(0.0011)</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

	2025	2024
	September	September
	RO.	RO.
Due from related parties	3,420	----
Due to related parties	----	----

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

b) Transactions with related parties

	2025	2024
	June	June
	RO.	RO.
Sales	3,420	----
Purchases	1,523	1,775

c) Key management compensation

	2025	2024
	September	September
	RO.	RO.
Directors' sitting fees	<u>12,500</u>	<u>14,250</u>

Remuneration to managing director is as per agreement and of continuous in nature.



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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 presentation.