

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

	2026 March RO.	2025 December RO.
Cash balance	7,000	7,000
Bank balance	<u>354,055</u>	<u>284,087</u>
	<u>361,055</u>	<u>291,087</u>

2. TRADE AND OTHER RECEIVABLES

	2026 March RO.	2025 December RO.
Trade receivable	655,336	753,105
Less: Allowance for doubtful debts	<u>(156,253)</u>	<u>(156,253)</u>
Net trade receivable	499,083	596,852
Prepayments	34,865	39,683
Advance paid to suppliers - net	9,914	6,582
Other receivables	<u>155,580</u>	<u>157,001</u>
	<u>699,442</u>	<u>800,118</u>

3. INVENTORIES

	2026 March RO.	2025 December RO.
Finished goods	638,533	558,164
Raw Materials	1,597,470	1,616,320
Stores, Spares and packing materials	<u>262,370</u>	<u>266,516</u>
	2,498,373	2,441,000
Allowance for slow & nonmoving inventory	<u>(691,449)</u>	<u>(691,449)</u>
	<u>1,806,924</u>	<u>1,749,551</u>

4. TRADE AND OTHER PAYABLES

	2026 March RO.	2025 December RO.
Trade payables (Net)	330,824	339,814
Advance from Customers	22,171	41,035
Accruals and other payables	<u>111,609</u>	<u>91,796</u>
	<u>464,604</u>	<u>472,645</u>

5. PROVISION FOR DEFERRED TAX

Movement in income tax liability is as follows:

2026 March	2025 December
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	RO.	RO.
Balance as of January 1	135,566	130,855
Tax paid during the year	----	----
Deferred Tax Credit	---	4,711
Closing balance	<u>135,566</u>	<u>135,566</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. TERMINAL BENEFITS EMPLOYEES

	2026 March RO.	2025 December RO.
Balance at January 1	201,999	189,857
Current service costs	4,467	30,099
Settlement during the period	----	(17,957)
Balance at the end of the period	<u>206,466</u>	<u>201,999</u>

7. BANK TERM LOAN

	2026 March RO.	2025 December RO.
Term Loan – 1	790,471	836,825
Term Loan - 2	500,569	515,458
Term Loan - 3	<u>117,294</u>	<u>84,133</u>
Total Term	<u>1,408,334</u>	<u>1,436,416</u>
Current portion	319,391	306,278
Long term portion	1,088,943	1,130,138

Company has availed term loans from one of the leading commercial banks operating in Sultanate of Oman for financing its projects such as New Hydrated Lime Plant with 15MTPH capacity, Complete revamping and renovation of existing 100MTPD Lime Kiln and for a New Grinding Unit, at 80:20 ratio for procuring machineries, equipment and other project related work. Term loans carries an interest rate of 6.75% to 7.00%.

8. SHARE CAPITAL

	2026 March RO.	2025 December 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 and the number of shares they hold are as follows:

2026 March	2025 December
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	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>
Mr. Khalid Abdullah Al Jaber	24.90	15,562,500	24.90	15,562,500
M/s. Malkawi International Trading Ltd	22.72	14,199,203	22.72	14,199,203
Mr. Mohd. Sulaiman Ahmed Al Hoqani	8.77	5,480,329	8.32	5,202,506
Mr. Said Sulaiman Ahmed Al Hoqani	6.44	4,025,719	6.10	3,815,810
Mr. Tariq Sulaiman Ahmed Al Hoqani	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:

	2026	2025
	March	December
Net assets (RO.)	<u>6,553,722</u>	<u>6,500,512</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>0.105</u>	<u>0.104</u>

11. COST OF SALES

	2026	2025
	March	March
	RO.	RO.
Opening stock – finished goods	558,164	490,905
Raw materials consumed	196,713	138,424
Salaries and wages	95,059	96,611
Factory costs	213,532	160,842
Amortization of ROU asset	20,973	20,973
Depreciation on property, plant and equipment	76,745	62,430
Transport costs	138,910	109,792
Closing stock – finished goods	<u>(638,534)</u>	<u>(516,204)</u>
	<u>661,562</u>	<u>563,773</u>

12. OTHER INCOME

2026	2025
March	March



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

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2026 March	2025 March
	RO.	RO.
Salaries and related costs	61,253	56,603
Legal & Professional charges	8,500	5,775
Depreciation on property, plant and equipment	2,911	3,480
Repairs and maintenance	5,619	5,264
Utilities	2,057	1,722
Directors Sitting Fee	5,750	5,750
Registration and certification	1,391	1,223
Printing and Stationery	819	854
Meeting Expenses	1,936	2,141
Travelling	163	41
Bank Charges	632	788
Insurance	400	473
Miscellaneous	<u>1,294</u>	<u>934</u>
	<u>92,725</u>	<u>85,048</u>

14. SELLING AND DISTRIBUTION EXPENSES

	2026 March	2025 March
	RO.	RO.
Salaries and related costs	6,176	10,429
Ministry/Custom Charges	7,519	7,654
Advertisements & Sales Promotion	39	1,248
Export Credit Insurance	1,639	823
Communication expenses	1,107	1,002
Vehicle expenses	389	496
Travelling	852	1,871
Marine Cargo Insurance	865	229
Independent laboratory test fees	--	422
Miscellaneous	<u>1,092</u>	<u>1,196</u>
	<u>19,678</u>	<u>24,629</u>

15. INTEREST (NET)

	2026 March	2025 March
	RO.	RO.



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Interest Received	(743)	(448)
Interest on lease liability (IFRS16)	6,581	7,598
Interest on Term Loan	14,303	----
Interest Expenses	<u>1,367</u>	<u>4,238</u>
	<u>21,508</u>	<u>11,388</u>

16. EARNINGS PER SHARE

	2026 March	2025 March
Profit for the Period (RO.)	<u>53,209</u>	<u>(22,618)</u>
Total number of shares (Nos.)	<u>62,500,000</u>	<u>62,500,000</u>
Earnings per share (RO.)	<u>0.0008</u>	<u>(0.0004)</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

	2026 March RO.	2025 March RO.
Due from related parties	----	----
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

	2026 March RO.	2025 March RO.
Sales	----	----
Purchases	----	----

c) Key management compensation

	2026 March RO.	2025 March RO.
Directors' sitting fees	<u>5,750</u>	<u>5,750</u>

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



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presentation period.