

To the esteemed shareholders

As you are aware the previous Board appointed by our regulator, Financial Services Authority, completed its tenure on 16th March 2025. The current Board want to build on the numerous initiatives undertaken by the previous Board and move forward to establish a sustainable business for the Group.

1. **Resolution of Legacy Issues** – This includes resolving all outstanding debts and the ongoing legal cases that have affected the Company’s performance and reputation.
2. **Restructuring the Organization structure** – This includes building a lean, professional structure led by qualified individuals with relevant industry experience to improve overall management efficiency.
3. **Enhancing Operational Performance** – Focusing on profitability, efficiency, productivity, and manpower rationalization to optimize resource allocation and strengthen our competitive position.
4. **Enforcing Corporate Governance** – Ensuring robust compliance and governance practices across all levels of the group in line with regulatory and stakeholder expectations.
5. **Strengthening Cash Flow Management** – Prioritizing liquidity planning and prudent financial controls to effectively manage the Group’s cash flows over the next twelve months.

Financial Performance

2nd Quarter performance:

	Parent			Consolidation		
Amount in OMR '000	June 2025	June 2024	Var %	June 2025	June 2024	Var %
Revenue	11,323	7,247	56%	21,651	14,117	53%
Gross profit	1,804	1,578	14%	3,009	1,548	94%
Operating Profit	(298)	52	(677%)	385	(748)	151%
Net loss and comprehensive income	(1,300)	(864)	(50%)	(1,040)	(2,073)	50%

half-year performance:

	Parent			Consolidation		
Amount in OMR '000	June 2025	June 2024	Var %	June 2025	June 2024	Var %
Revenue	21,640	17,161	26%	41,404	31,572	31%
Gross profit	2,768	2,822	(2%)	5,040	2,671	89%
Operating Profit	(1,285)	(616)	(108%)	(140)	(1,978)	93%
Net loss and comprehensive income	(3,175)	(2,480)	(28%)	(2,848)	(4,684)	39%

Operations and Business Review

Our primary markets are Dhofar, Al Wusta, and North Oman, while our export markets include Yemen, the Maldives, and Eastern Africa. For consolidated Group sales, North Oman and the UAE are also significant contributors.

- Domestic Sales Volumes:** During the half year period of 2025, the local market experienced growth, with Parent sales volumes increased to 0.369 million MT (H1 2024: 0.304 million MT), and Group consolidated sales stood at 1.499 million MT (H1 2024: 1.111 million MT).
- Export Sales Volumes:** During the half year period of 2025, the export market slightly improved, with Parent sales volumes increasing to 0.775 million MT (H1 2024: 0.542 million MT), and Group consolidated sales increased to 0.746 million MT (H1 2024: 0.520 million MT).

The market continues to face challenges, including overcapacity in neighboring cement markets, resulting in excess supply and downward pressure on prices in Oman. Export markets remain vital, but are impacted by regional political instability, foreign exchange fluctuations, logistics constraints, and intense competition from Asian producers.

Corporate Governance and Compliance

The current Board of Directors are committed to upholding the highest standards of corporate governance. Key governance actions included:

- **Board Oversight:** Regular review of the Company’s strategic direction, risk management, and financial performance.
- **Audit Committee:** Oversight of financial reporting, internal controls, and risk management processes.
- **Transparency:** Timely and accurate disclosures to shareholders and regulatory authorities.

Risk Management

The Group recognizes the importance of robust risk management. Key risks identified during the year included market volatility, regulatory changes, and operational challenges. The Board and management have implemented appropriate measures to mitigate these risks and would continue to those measures.

Outlook

Looking ahead, the Board remains optimistic. The Group during the remaining months of 2025 will focus on its strategic priorities as set out above.

Acknowledgments

We would like to thank our Shareholders, not only for their confidence, but also for the support.

We express our gratitude to the Financial Services Authority, the Government Entities and the Government of Oman for the continuous support. We also thank our customers, our banks, our suppliers and all our employees for their loyalty, contributions, commitment, and continued support for the overall success of the company.

Finally, we extend our sincere thanks and gratitude to His Majesty Sultan Haitham bin Tarik for his wise leadership and his wise government for their continuous support and guidance. We pray to Almighty Allah to bless him with good health and long life.

Engr. Ali Abdullah Ali Al Zadjali
 Chairman of the Board of Directors