

REPORT ON MATERIAL EVENTS & SIGNIFICANT CHANGES FOR THE PERIOD OF SIX MONTHS ENDED ON 30 JUNE 2016

MATERIAL EVENTS

In the annual general meeting of the company held on 13 March 2016 the shareholders declared 15% bonus shares (15 shares for every 100 shares held) for the year ended on 31 December 2015.

Capacity expansion projects are going on as planned.

MATERIAL CHANGES IN FIGURES

Sales – During the period the company achieved a sales turnover of RO 3.083 million compared to RO 3.127 million for the same period last year, a decrease of 1%.

Gross Profit – During the period the company made a Gross Profit of RO 1.211 million compared to a Gross Profit of RO 1.229 million for the same period last year, a decrease of 1%.

Selling & Distribution Expenses – During the period the company incurred RO 250,000 as Selling & distribution expenses compared to RO 304,000 for the same period last year, a decrease of 18%.

General & Administration Expenses – During the period the company incurred RO 479,000 as General & administration expenses compared to RO 449,000 for the same period last year, an increase of 7%.

Profit before tax – During the period the company earned Profit before tax of RO 224,000 compared to Profit before tax of RO 231,000 for the same period last year, a decrease of 3%.

Income tax – During the period Company provided Income tax of RO 30,000 compared to RO 24,000 provided for the same period last year, an increase of 25%.

Total Comprehensive Income (after tax) – During the period the company earned a total Comprehensive Income (after tax) of RO 194,000 compared to a total Comprehensive Income (after tax) of RO 207,000 for the same period last year, a decrease of 6%.

Chief Executive Officer

Unaudited Statement of financial position

	Notes	30 June 2016	30 June 2015
		RO	RO
Non-current assets		9,186,187	6,246,467
		<u>9,186,187</u>	<u>6,246,467</u>
Current assets			
Inventories	1	591,350	646,499
Receivables & Prepayments	2	1,002,582	1,039,017
Bank and Cash		120,714	674,073
Total current assets		1,714,646	2,359,589
Total assets		10,900,833	8,606,056
Current liabilities			
Bank wakala/overdraft		144,800	-
Bank Term Loans	3	-	565,000
Trade and other creditors		783,054	498,068
Taxation		40,462	38,880
Total current liabilities		968,316	1,101,948
Non-current liabilities			
Loans	3	3,462,759	1,340,130
Deferred Tax	4	337,011	357,594
End of service benefits		221,558	195,900
Total non-current liabilities		4,021,328	1,893,624
Total liabilities		4,989,644	2,995,572
Net Assets		5,911,189	5,610,484
Shareholders' funds			
Share capital		3,438,452	2,989,958
Legal Reserve		635,230	605,160
Special Reserves		12,405	12,405
Revaluation Reserve		1,462,756	1,462,756
Accumulated Profit		362,346	540,205
Total shareholders' equity	9	5,911,189	5,610,484
Net assets per share (RO)	8	0.172	0.188

**Unaudited Statement of comprehensive Income
for Six months ended 30 June**

	Notes	6 months ended 30 June 2016	6 months ended 30 June 2015
		RO	RO
Turnover/Revenue		3,082,709	3,127,365
Direct Expenses		(1,872,173)	(1,898,325)
Gross profit		1,210,536	1,229,040
Selling & distribution exp.		(249,589)	(304,062)
Indirect expenses		(478,571)	(448,790)
Other Income		16,123	32,627
Profit before depreciation & net financing costs		498,499	508,815
Depreciation		(258,019)	(257,714)
Profit before net financing costs		240,480	251,101
Net financing costs	3	(16,348)	(19,787)
Profit before tax		224,132	231,314
Income tax	4	(29,999)	(23,843)
Profit for the period		194,133	207,471
Other comprehensive income		-	-
Total comprehensive income for the period		194,133	207,471
Profit per share (RO)	7	0.006	0.006