

## **REPORT ON MATERIAL EVENTS & SIGNIFICANT CHANGES FOR THE PERIOD OF THREE MONTHS ENDED ON 31 MARCH 2017**

### **MATERIAL EVENTS**

In the annual general meeting of the company held on 13 March 2017 the shareholders declared 10% bonus shares (10 shares for every 100 shares held) for the year ended on 31 December 2016.

Capacity expansion projects are going on as planned. Trial production has commenced in Company's new compost plant in Thumrait.

### **MATERIAL CHANGES IN FIGURES**

**Sales** – During the period the company achieved a sales turnover of RO 1.623 million compared to RO 1.598 million for the same period last year, an increase of 2%.

**Gross Profit** – During the period the company made a Gross Profit of RO 649,000 compared to a Gross Profit of RO 644,000 for the same period last year, an increase of 1%.

**Selling & Distribution Expenses** – During the period the company incurred RO 158,000 as Selling & distribution expenses compared to RO 155,000 for the same period last year, an increase of 2%.

**General & Administration Expenses** – During the period the company incurred RO 202,000 as General & administration expenses compared to RO 185,000 for the same period last year, an increase of 9% due to employee and other costs.

**Profit before tax** – During the period the company earned Profit before tax of RO 164,000 compared to Profit before tax of RO 181,000 for the same period last year, a decrease of 9%

**Income tax** – During the period Company provided Income tax of RO 51,000 compared to RO 27,000 provided for the same period last year, an increase of 88% due to change in tax rates and impact on deferred tax liability.

**Profit after tax** – During the period company earned a profit after tax of RO 113,000 compared to profit after tax of RO 154,000 for the same period last year, a decrease of 27% for above reasons.

**Chief Executive Officer**

**Unaudited Statement of financial position as at 31 March 2017**

	Notes	31 Mar 2017	31 Mar 2016
		RO	RO
<b>Non-current sssets</b>		<b>12,120,481</b>	<b>8,013,897</b>
		<u>12,120,481</u>	<u>8,013,897</u>
<b>Current assets</b>			
Inventories	1	713,097	598,102
Receivables & Prepayments	2	1,285,921	1,137,162
Bank and Cash		120,613	9,549
		<u>2,119,631</u>	<u>1,744,813</u>
<b>Total current assets</b>		<b>2,119,631</b>	<b>1,744,813</b>
		<u>2,119,631</u>	<u>1,744,813</u>
<b>Total assets</b>		<b>14,240,112</b>	<b>9,758,710</b>
		<u>14,240,112</u>	<u>9,758,710</u>
<b>Current liabilities</b>			
Bank overdraft/Wakala		336,450	122,360
Term loans	3	302,740	602,740
Trade and other creditors		1,152,137	684,353
Taxation		33,953	34,770
		<u>1,825,280</u>	<u>1,444,223</u>
<b>Total current liabilities</b>		<b>1,825,280</b>	<b>1,444,223</b>
		<u>1,825,280</u>	<u>1,444,223</u>
<b>Non-current liabilities</b>			
Term loans	3	5,694,433	1,881,561
Deferred Tax	4	372,485	339,861
End of service benefits		250,803	222,120
		<u>6,317,721</u>	<u>2,443,542</u>
<b>Total non-current liabilities</b>		<b>6,317,721</b>	<b>2,443,542</b>
		<u>6,317,721</u>	<u>2,443,542</u>
<b>Total liabilities</b>		<b>8,143,001</b>	<b>3,887,765</b>
		<u>8,143,001</u>	<u>3,887,765</u>
<b>Net Assets</b>		<b>6,097,111</b>	<b>5,870,945</b>
		<u>6,097,111</u>	<u>5,870,945</u>
<b>Shareholders' funds</b>			
Share capital		3,782,297	3,438,452
Legal Reserve		658,809	631,206
Special Reserves		12,405	12,405
Revaluation Reserve		1,462,756	1,462,756
Accumulated Profit		180,844	326,126
		<u>6,097,111</u>	<u>5,870,945</u>
<b>Total shareholders' equity</b>	9	<b>6,097,111</b>	<b>5,870,945</b>
		<u>6,097,111</u>	<u>5,870,945</u>
<b>Net assets per share (RO)</b>	8	<b>0.161</b>	<b>0.171</b>

**Unaudited Statement of comprehensive Income  
for Three months ended 31 March 2017**

	Notes	<b>3 months ended 31 Mar 2017 RO</b>	3 months ended 31 Marc 2016 RO
<b>Turnover/Revenue</b>		<b>1,622,849</b>	<b>1,598,289</b>
Direct Expenses		<b>(973,584)</b>	<b>(954,388)</b>
<b>Gross profit</b>		<b>649,265</b>	<b>643,901</b>
Selling & distribution exp.		<b>(157,610)</b>	<b>(154,545)</b>
Indirect expenses		<b>(201,630)</b>	<b>(184,784)</b>
Other Income		<b>6,865</b>	<b>13,484</b>
<b>Profit before depreciation &amp; net financing costs</b>		<b>296,890</b>	<b>318,056</b>
Depreciation		<b>(125,368)</b>	<b>(129,978)</b>
<b>Profit before net financing costs</b>		<b>171,522</b>	<b>188,078</b>
Net financing costs	3	<b>(7,719)</b>	<b>(7,033)</b>
<b>Profit before tax</b>		<b>163,803</b>	<b>181,045</b>
Income tax	4	<b>(50,982)</b>	<b>(27,156)</b>
<b>Profit after tax</b>		<b>112,821</b>	<b>153,889</b>
<b>Profit per share ( RO )</b>	7	<b>0.003</b>	<b>0.004</b>