



REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

On behalf of the Board of Directors, I welcome you to the 26th Annual General Meeting of your Company to present and discuss the Annual Report and Audited Financial Statements for the year ended on 31 December 2021.

The company faced some cost headwinds during the year 2021 given price increases worldwide in many commodities and logistics costs due to supply-demand mismatch and sudden increase in requirements in the many markets, Covid-19 issues affecting manpower availability and logistics constraints.

Financial Results and Company Performance:

The company progressed significantly in its plan implementation to increasingly drive its twin strategy of increasing sales to the food sector and also higher export sales to more developed markets. Covid-19 impacted the business in multiple ways. The increased pace of vaccination and subsequent economic rebound given anticipation of faster re-opening in some of its key western markets led to increased demand but logistics issues played a dampener in the offtake. As per market estimates, Logistics issues had a major impact for the full year 2021 and is expected to continue further during 2022. The company is pushing for more Ex-works/FOB sales to mitigate the issue

The company had to take a hit in expenses in the second half of the year due to increased prices for raw materials and packaging materials as a result of demand supply imbalance, high energy cost and logistics issues.

The Management conservatively estimates the bottom-line impact due to Covid-19 to be in the range of 270 K OMR and that the financial results do not fully reflect the improvement in company performance in terms of positive improvement in product and customer mix with more increasing sales to higher priced developed markets and sales growth in the food category

Quarter wise Performance Highlights:

Particulars	QI 03-21	QII 06-21	QIII 09-21	QIV 12-21	TOTAL YE 2021	TOTAL YE 2020
Sales Million Bottles	76.868	88.588	92.698	98.554	356.708	382.892
Production Million Bottles	94.821	84.43	83.01	93.097	355.358	392.828
OPERATIONAL HIGHLIGHTS - (All Amounts in RO Millions)						
Sales	2.576	2.744	2.789	3.515	11.624	12.139
Cost of Goods Sold	2.12	2.552	2.614	2.813	10.099	10.652
Gross Profit	0.456	0.192	0.176	0.702	1.526	1.486
Net Profit /(Loss) Before Tax	(0.042)	(0.373)	(0.445)	0.017	(0.843)	(1.180)
Income tax				(0.225)	(0.225)	.0133
Net Profit /(Loss) after Tax	(0.042)	(0.373)	(0.445)	(0.208)	(1.069)	(1.047)
EBIDTA	0.349	0.051	(0.033)	0.412	0.779	0.564



It can be noted that during the quarter 4 of the year (01 October 2021 till 31 Dec 2021 QIV 12-21) the company achieved breakeven performance at Profit Before tax level. The charge of income tax for the year 2021 is due to the reversal of Deferred tax credit taken in year 2017.

Dividend

After considering the financial performance and taking account of the company's cash flow requirements for various capital expenditures envisaged in 2022, the Board of Directors do not recommend any dividend for the financial year ended 31 December 2021.

Future Outlook:-

I am happy to mention we are cautiously optimistic about the year 2022 with a good order booking/forecasts from customers to secure almost its total manufacturing capacity for 2022. Our focus continues to optimise our Customer/Market Mix to driver higher pricing and further grow the food category

We expect operational improvements to continue, including increased output and increased efficiency.

Corporate Social Responsibility:-

The company believes that giving back to society is extremely important. We provide monetary and intangible support and guidance to the organizations that are dedicated to improving the quality of life for the concerned people in the society and will continue to do so.

Internal Control:-

The Management regularly reviews the effectiveness of internal controls in discussion with the Audit Committee, Statutory Auditors, and External Internal Auditor, in line with the approved company policy and the charter. The company presently has an External Internal Audit agency, which keeps on reviewing internal controls in various areas of operations under the Audit Committee's guidance. The Board of Directors is pleased to inform the shareholders that, in their opinion, adequate and effective internal control systems are in place.

Omanisation :

The company is committed to recruiting and providing training to Omani employees to enable them to undertake responsibilities in various Operations and Administration areas. The Company had an Omanisation percentage of around 42% at the end of 31 December 2021.



س.ت رقم ٣/١٩٤٥٦/٦

رقم بطاقة ضريبة : ٨٠٧٠٣٤

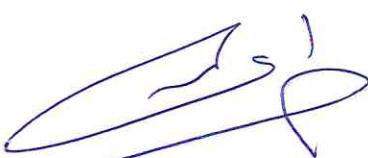
رقم تعرفت دافع الضريبة: ٤٨٠

رقم الضريبة: OM1100003384

Acknowledgments:-

On behalf of the Board of Directors and Management of the Company, we thank His Majesty Sultan Haitham bin Tariq bin Taimur for his leadership and vision- God protect him, to work for Oman and its dear people for a brighter and more prosperous future.

The company also acknowledges the continuous support and commitment from its Shareholders, Customers, Suppliers, Bankers, and the Management & the Employees' constant efforts.



Chairman

Dated: 27 February 2022



Annexure to Directors' Report 2021

Statistical Table showing dividend declared and paid during past five years

Particulars	2021	2020	2019	2018	2017	2016
Net Profit/(Loss) before taxation (in RO '000)	(844)	(1,180)	(715)	(2,611)	(1,359)	(1,687)
Net Profit/(Loss) after taxation (in RO '000)	(1069)	(1,047)	(608)	(2,219)	(1,143)	(1,488)
Dividend declared %	0%	0%	0%	0 %	Propose d 0%	0%
Cash Dividend Amount (in RO'000)		-	-	-	-	-
Stock Dividend Amount in the form of free bonus shares (in RO'000)		-	-	-	-	-
Net Equity ('000)	2,129	3,197	4,245	4,853	7,090	8,232