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# RIGHTS ISSUE **PROSPECTUS**

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**NATIONAL ALUMINIUM PRODUCTS COMPANY SAOG**

P.O. Box 15, P.C. 124, Rusayl, Sultanate of Oman,  
Tel: +968 2444 6450 Fax: +968 2444 6797  
[www.napcooman.com](http://www.napcooman.com)





HIS MAJESTY  
SULTAN HAITHAM BIN TARIK



## NATIONAL ALUMINIUM PRODUCTS COMPANY SAOG

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### RIGHTS ISSUE PROSPECTUS

Rights Issue of 11,750,000 shares at a price of Baizas 100 per share

#### RIGHTS TRADING PERIOD

Opening Date: 22 October 2023

Closing Date: 30 October 2023

#### RIGHTS SUBSCRIPTION PERIOD

Opening Date: 26 October 2023

Closing Date: 02 November 2023

#### Issue Manager



#### Ubhar Capital SAOC

P.O. Box 1137, P.C. 111, CPO, Sultanate of Oman

Tel: +968 24949100 | Fax: +968 24949099

#### Collecting Agent

Ubhar Capital SAOC

P.O. Box 1137, P.C. 111, CPO, Sultanate of Oman

Tel: +968 24949100 | Fax: +968 24949099

#### Legal Advisor

Zaid Al- Malki and Nasser Al-Tabeeb Advocacy and Legal Consultants

P.O. Box 1118, P.C. 133, Al Khuwair, Sultanate of Oman

Tel: +968 99000300

This Prospectus has been prepared in accordance with the applicable guidelines stipulated by the Capital Market Authority (CMA) of the Sultanate of Oman. This is an unofficial English version of the original Prospectus prepared in Arabic and approved by the Capital Market Authority vide its Administrative Decision No. KH /2023/72 dated 07 September 2023. In the event of any conflict between the English and Arabic versions, the Arabic version will prevail. The Capital Market Authority assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.

# IMPORTANT NOTICE TO INVESTORS

## **All prospective subscribers/investors should read this notice.**

The aim of this Prospectus is to present all material information that may assist investors to make an appropriate decision as to whether or not to invest in the shares of National Aluminium Products Company SAOG (“NAPCO”, the “Company” or the “Issuer”) that are the subject of the rights issue hereunder (the “Offer Shares”).

This Prospectus includes all material information and data and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor’s decision as to whether or not to invest in the Offer Shares.

The members of the Board of Directors of the Company are jointly and severally responsible for the integrity and adequacy of the information contained in this Prospectus and confirm that, to their knowledge, appropriate due diligence had been observed in the preparation of this Prospectus and further confirm that no material information has been omitted, the omission of which would render this Prospectus misleading.

All investors should examine and carefully review this Prospectus in order to decide whether it would be appropriate to invest in the Offer Shares by taking into consideration all the information contained in this Prospectus in this context. Investors should not consider this Prospectus to be a recommendation by the Company to subscribe for the Offer Shares. Each investor is responsible for obtaining their own independent professional advice on an investment in the Offer Shares and should conduct an independent evaluation of the information and assumptions contained herein using whatsoever analysis or projections they see fit as to whether or not to invest in the Offer Shares.

No person has been authorized to make any statement or provide any information in relation to the Company or the Offer Shares other than the Chief Executive Officer of the Company, and no person has been authorized to make any such statement or provide any such information which is not contained in, or which is inconsistent with, this Prospectus. Where any person makes any such statement or provides any such information, it must not be relied upon as having been authorized by the Company or the Issue Manager or the Legal Advisor.

## **IMPORTANT POINTS**

This Prospectus includes relevant information that is deemed important and neither includes any misleading information nor excludes any material information, the omission of which may materially influence any investor’s decision pertaining to the investment in the Offer Shares through this Prospectus.

All market investments carry various risks including market risks to varying degrees. The value of any security can fall as well as rise, depending on the market conditions.

## **ADDITIONAL IMPORTANT POINTS TO BE NOTED**

### **References to documents**

Summaries of documents, or of provisions thereof, contained in this Prospectus may not provide a complete summary thereof, and statements in this Prospectus relating to such documents may not be exact reproductions of such documents or parts thereof, and should not be relied upon as being comprehensive summaries/statements in respect of such documents.

### **Scope of information**

The information contained in this Prospectus is intended to provide a prospective Applicant with adequate information relating to the investment opportunity and background information on the rights issue contemplated hereby. However, this Prospectus does not necessarily contain all the information that a prospective Applicant may consider material. The content of this Prospectus is not to be construed as legal or tax advice or as a business or investment opportunity. Each prospective Applicant should consult their own lawyer, financial advisor, or tax advisor for legal, financial or tax advice in relation to any purchase of or proposed subscription for Offer Shares.

### **Investor due diligence**

Prior to making any decision as to whether to subscribe for Offer Shares or not, prospective Applicants should read this Prospectus in its entirety. In making an investment decision, prospective Applicants must rely upon their own examination of the terms of this Prospectus and the risks involved in making an investment.

### **Restrictions on the distribution of this Prospectus**

The distribution of this Prospectus and the issue of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer or an invitation by or on behalf of the Company to any person in any jurisdiction outside Oman to subscribe for any of the Offer Shares where such offer or invitation would be unlawful. The Company and the Issue Manager require persons into whose possession this Prospectus comes to inform themselves of, and to observe, all such restrictions. Neither the Company nor the Issue Manager nor any of their respective directors, managers, accountants, advisers, lawyers, or employees accepts any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for Offer Shares by any person, whether or not a prospective Applicant, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe, would be unlawful.

### **Restrictions on the use of information contained in this Prospectus**

The information contained in this Prospectus may not be published, duplicated, copied, or disclosed in whole or in part or otherwise used for any purpose other than in connection with the issue of the Offer Shares, without the prior written approval of the Company and the Issue Manager.

### **Disclaimer of implied warranties**

Save and except as required under applicable Omani law and regulations, no representation or warranty, express or implied, is given by the Company or the Issue Manager, or any of their respective directors, managers, accountants, advisers, lawyers, employees or any other person as to the completeness of the contents of this Prospectus; or of any other document or information supplied at any time in connection with the Offer Shares; or that this Prospectus or any other such document or information has remained unchanged after the issue thereof.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that relate to intentions, future acts, and future events. These statements generally can be classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events, and circumstances to differ materially from the way in which they are presented in this Prospectus. The use of any of the words “aim”, “anticipate”, “continue”, “estimate”, “objective”, “plan”, “schedule”, “intend”, “expect”, “may”, “will”, “project”, “propose”, “should”, “believe”, “will continue”, “will pursue”, and other words of similar import, are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect current expectations regarding future results or events, and are based on various estimates, factors, and assumptions. The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Moreover, forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made and should not be relied upon as reflecting the Company’s expectations as of any subsequent date.

The Company draws the attention of investors to a number of important factors that could cause actual results to differ materially from the Company’s expectations, including but not limited to:

- inability to estimate future performance;
- inability of the Company to meet its debt service obligations;
- inability of the Company to meet its payment obligations;
- certain financing and/or operational and maintenance risks;
- access to adequate insurance to cover all potential losses;
- change in monetary and/or interest policies of Oman, local and/or international inflation, local and/or international interest rates;
- fluctuations in foreign exchange rates, equity prices or other rates or prices;
- the performance of the financial markets and the economy of Oman;
- general political, economic, and business conditions in Oman which may have an impact on the Company’s business activities;
- changes in laws and/or regulation and/or conditions (including fiscal developments) that may have a bearing on the position of the Company’s clients, and/or suppliers, or the sector in Oman;
- increased competition in the sector in Oman, changes in the economic and/or financial conditions of the Company’s clients, suppliers etc;
- level of demand for the Company’s products and services; and
- other factors described in Chapter 9 of this Prospectus.

The Company offers no assurance that forward-looking statements will materialize. Neither the Company nor the Issue Manager nor any of their respective affiliates intends to nor has any obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, unless required by applicable law.

The risk factors described above do not comprise all of the important factors that could cause actual results to differ materially from those presented in the forward-looking statements in this Prospectus, see Chapter 9 “Risk Factors and Mitigants” of this Prospectus. The Company will adhere to the disclosure rules and regulations issued by the CMA, which includes making timely disclosure regarding the Company’s results of operation. The Company advises investors to track the information or announcements made by the CMA through the MSX website at [www.msx.gov.om](http://www.msx.gov.om).

# PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

## Financial Data

The Issue Manager has not independently verified any of the financial or other data prepared by the Company.

Unless stated otherwise, the financial data in this Prospectus is derived from the Company's audited financial statements or its unaudited interim financial statements, in each case prepared in accordance with IFRS. Copies of the Company's financial statements are available on the MSX website or on <https://www.napcooman.com>. The Company's Financial Year commences on 1 January and ends on 31 December. In this Prospectus, any discrepancy in any table between the total and the sum of the relevant amounts listed is due to rounding.

## Currency of Presentation

In this Prospectus, all references to "RO", "OMR", and "Omani Rials" are to Omani Rials, the official currency of Oman.

## Summary of Extracts of Documents

Any summaries of documents or extracts of documents contained in this Prospectus should not be relied upon as containing a comprehensive description of such documents.

## Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Prospectus is reliable, it has not been independently verified; therefore, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Similarly, internal company reports, while believed to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.



# INDEX

<b>CHAPTER 1:</b> ABBREVIATIONS AND DEFINITIONS .....	10
<b>CHAPTER 2:</b> SUMMARY OF THE ISSUE .....	12
<b>CHAPTER 3:</b> USE OF PROCEEDS AND ISSUE EXPENSES .....	15
<b>CHAPTER 4:</b> ISSUER'S OBJECTIVES AND APPROVALS .....	16
<b>CHAPTER 5:</b> OVERVIEW OF THE OMAN ECONOMY .....	18
<b>CHAPTER 6:</b> BUSINESS OVERVIEW .....	20
<b>CHAPTER 7:</b> SUMMARY FINANCIALS .....	23
<b>CHAPTER 8:</b> RELATED PARTY TRANSACTIONS .....	25
<b>CHAPTER 9:</b> RISK FACTORS AND MITIGANTS .....	26
<b>CHAPTER 10:</b> SHAREHOLDING DETAILS AND CORPORATE GOVERNANCE .....	30
<b>CHAPTER 11:</b> SHARE PRICE MOVEMENT AND DIVIDEND POLICY .....	35
<b>CHAPTER 12:</b> RIGHTS AND LIABILITIES OF SHAREHOLDERS .....	37
<b>CHAPTER 13:</b> SUBSCRIPTION CONDITIONS AND PROCEDURES.....	39
<b>CHAPTER 14:</b> UNDERTAKINGS.....	47

## CHAPTER 1: ABBREVIATIONS AND DEFINITIONS

<b>Additional Shares</b>	Any Offer Shares applied for by an Applicant in addition to the Rights Entitlement of such Applicant in the Rights Issue.
<b>Allotment Date</b>	The date on which the CMA approves the allotment of Offer Shares to successful Applicants.
<b>Applicant</b>	An Eligible Shareholder, or a person who has purchased a Rights Entitlement through the MSX, in each case, who submits their completed Application Form to the Collecting Agent on or before the Subscription Closing Date.
<b>Application Form</b>	The application form required to be completed by an Applicant wishing to subscribe for Offer Shares.
<b>Articles of Association</b>	The Articles of Association of the Company as registered with the MOCIP and the CMA, as amended from time to time.
<b>Baizas</b>	One thousandth of an Omani Rial (1000 Baizas = 1 Omani Rial).
<b>Board / Board of Directors</b>	The Company's Board of Directors elected from time to time in accordance with the Articles of Association, the CCL, the SAOG Regulations and applicable rules and regulations issued by the CMA.
<b>Business Day</b>	A day, other than a Friday, Saturday, or a public holiday, on which banks and the MSX are open for general business in Muscat, Oman.
<b>CAGR</b>	Compound Annual Growth Rate.
<b>Securities Law</b>	The Securities Law of Oman promulgated by Royal Decree 46/2022.
<b>CCL / Commercial Companies Law</b>	The Commercial Companies Law of Oman promulgated by Royal Decree 18/2019, together with the executive regulations for public joint stock companies issued pursuant to Ministerial Decision 27/2021.
<b>CEO</b>	Chief Executive Officer.
<b>CMA</b>	The Capital Market Authority of Oman.
<b>Code</b>	The Corporate Governance Code for public listed companies issued vide CMA Circular No. E/4/2015 on 22 July 2015, as amended from time to time.
<b>Collecting Agent</b>	Ubhar Capital SAOC.
<b>Director</b>	A member of the Board of Directors of the Company.
<b>Eligible Shareholder</b>	A person registered with the MCD as a Shareholder on the Record Date.
<b>Executive Regulations</b>	The Executive Regulations to the Capital Market Law RD 80/98 issued by CMA Decision 1/2009, as amended.
<b>Issue Manager</b>	Ubhar Capital SAOC.
<b>Financial Year</b>	The financial year of the Company commencing on 1 January and ending on 31 December, as may be amended from time to time.
<b>GCC</b>	The Gulf Cooperation Council.
<b>Government</b>	The Government of Oman.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Issue / Rights Issue</b>	The rights issue of the Offer Shares made under this Prospectus.
<b>Issuer / Company / NAPCO</b>	National Aluminium Products Company SAOG.
<b>Issue Expenses</b>	The expenses related to the Rights Issue are estimated to be RO 63,500. The Issue Expenses will be completely borne by the Issuer.

<b>Laws of Oman</b>	The laws of Oman which are issued in the form of Royal Decrees, Ministerial Decisions, CMA regulations, in each case as issued, enacted, re-enacted, or amended from time to time.
<b>Legal Advisor</b>	Zaid Al- Malki and Nasser Al-Tabeeb Advocacy and Legal Consultants.
<b>MCD</b>	The Muscat Clearing and Depository Company SAOC.
<b>MOCIIP</b>	Oman's Ministry of Commerce, Industry, and Investment Promotion.
<b>MSX</b>	The Muscat Stock Exchange, Oman.
<b>Offer Shares</b>	The Shares that are the subject of the Rights Issue.
<b>Oman / the Sultanate</b>	The Sultanate of Oman.
<b>Omani Rial / RO / OMR</b>	The lawful currency of Oman.
<b>Prospectus</b>	This Prospectus, as approved by the CMA.
<b>Record Date</b>	15 October 2023. The Shareholders whose names are recorded in the register of MCD on this date will be entitled to subscribe in the Rights Issue.
<b>Rights Entitlement</b>	Each Eligible Shareholder is entitled to participate in the Rights Issue pro rata based on their percentage shareholding in the Company as on the Record Date, rounded down in the case of fractional entitlements (the "Rights Entitlement"). Accordingly, each Eligible Shareholder is entitled to approximately 137.0830 Offer Shares for every 100 Shares held by them on the Record Date, duly rounded down, or to 1 Offer Share for approximately every 0.7295 Shares held by them on the Record Date, duly rounded down.
<b>Rights Trading Opening Date</b>	22 October 2023
<b>Rights Trading Closing Date</b>	30 October 2023
<b>Rights Trading Period</b>	The period commencing on the Rights Trading Opening Date and ending on the Rights Trading Closing Date.
<b>SAOG Regulations</b>	The Public Joint Stock Company Regulations to the CCL issued pursuant to CMA Decision 27/2021.
<b>Shares</b>	The ordinary shares of the Company.
<b>Shareholders</b>	The shareholders of the Company from to time.
<b>Shareholding Limits</b>	Has the meaning given to it in Chapter 13 of this Prospectus.
<b>Subscription Price / Issue Price</b>	The subscription price of 100 Baizas per Share for this subscription, to be paid by the shareholders in accordance with this Prospectus.
<b>Subscription Opening Date</b>	26 October 2023
<b>Subscription Closing Date</b>	02 November 2023
<b>Subscription Period</b>	The period commencing on the Subscription Opening Date and ending on the Subscription Closing Date.
<b>US\$ / USD / US Dollars</b>	United States Dollars, the lawful currency of the United States of America.
<b>VAT</b>	Value Added Tax.

## CHAPTER 2: SUMMARY OF THE ISSUE

<b>Issuer</b>	National Aluminium Products Company SAOG.
<b>Commercial Registration No.</b>	1220250
<b>Principal place of business</b>	PO Box 15, PC 124, Rusayl, Sultanate of Oman.
<b>Company's duration</b>	Unlimited.
<b>Authorised Share Capital</b>	RO 3,357,145 (Rial Omani Three Million Three Hundred Fifty Seven Thousand One Hundred and Forty Five) divided into 33,571,450 (Thirty Three Million Five Hundred Seventy One Thousand Four Hundred and Fifty) shares
<b>Issued Capital (pre-issue)</b>	RO 857,145 (Rial Omani Eight Hundred Fifty Seven Thousand One Hundred and Forty Five) divided into 8,571,450 (Eight Million Five Hundred Seventy One Thousand Four Hundred and Fifty) shares
<b>Issued Capital (post-issue)</b>	RO 2,032,145 (Rial Omani Two Million Thirty Two Thousand One Hundred and Forty Five) divided into 20,321,450 (Twenty Million Three Hundred Twenty One Thousand Four Hundred Fifty) shares after issuance of the Offer Shares (assuming full subscription).
<b>Issue size</b>	11,750,000 (Eleven Million Seven Hundred Fifty Thousand) Shares offered at Baizas 100 per Offer Share, aggregating to RO 1,175,000 (One Million One Hundred and Seventy Five Thousand Omani Rials).
<b>Issue Price</b>	Baizas 100 per Offer Share, consisting of issue price of Baizas 100 payable in full on submission of the Application Form, with the Issuer bearing all issue related expenses.
<b>Purpose of the issue</b>	The purpose of the Rights Issue is to increase the capital of the Company and the proceeds from the Rights Issue will be used to meet working capital requirements.
<b>Rights Entitlement</b>	Each Eligible Shareholder is entitled to participate in the Rights Issue pro rata based on their percentage shareholding in the Company as on the Record Date, rounded down in the case of fractional entitlements (the "Rights Entitlement"). Accordingly, each Eligible Shareholder is entitled to approximately 137.0830 Offer Shares for every 100 Shares held by them on the Record Date, duly rounded down, or to 1 Offer Share for approximately every 0.7295 Shares held by them on the Record Date, duly rounded down.

<b>Eligibility for Subscription</b>	<p>Subscription for the Rights Issue is open to Shareholders whose names appear in the Company's shareholder register with the MCD as on the Record Date. Persons who purchase the rights on the MSX within the Rights Trading Period are also eligible to subscribe for the Offer Shares before the Subscription Closing Date.</p> <p>The 'rights' representing ownership rights of Shareholders to subscribe to the Rights Issue may be traded on the MSX during the Rights Trading Period. A Shareholder has the option to either subscribe to the Rights Issue or sell its Rights Entitlement on the MSX. The eligibility to subscribe for Offer Shares shall lapse in case the Shareholder neither subscribes to the Rights Issue nor sells their 'rights' on the MSX during the Rights Trading Period.</p>
<b>Application for Additional Shares</b>	<p>An Eligible Shareholder wishing to apply for Additional Shares shall complete the required details in the Application Form and submit it during the Subscription Period to the Collecting Agent together with the requisite subscription amount.</p> <p>A Shareholder who does not subscribe for their full Rights Entitlement during the Subscription Period or who sells their Rights Entitlement (either in part or in full) is not eligible to apply for Additional Shares.</p> <p>An Applicant that is not a Shareholder on the Record Date but that has acquired a Rights Entitlement is not eligible to apply for Additional Shares.</p> <p>The application and allotment of Additional Shares shall be subject to the terms and conditions stipulated in Chapter 13.</p>
<b>Private Placement</b>	<p>The Company's Extraordinary General Meeting held on April 5, 2023, authorized the Board of Directors to allocate the unsubscribed shares in the right issue to potential investors, at its discretion, through private placement at the same subscription price of 100 baizas per share. Subscribers are entitled to meet all conditions and requirements set forth in Articles 66 and 67 of the Public Joint Stock Companies Regulations.</p>
<b>Record Date</b>	15 October 2023
<b>Start of Trading of Rights Entitlement</b>	22 October 2023
<b>End of Trading of Rights Entitlement</b>	30 October 2023
<b>Subscription Opening Date</b>	26 October 2023
<b>Subscription Closing Date</b>	02 November 2023
<b>Allotment</b>	<p>The Offer Shares shall be allotted against valid Application Forms, subject to the provisions of Chapter 13.</p> <p>The Offer Shares shall be allotted, and refunds will be made (if required) within 3 working days from the Subscription Closing Date, after obtaining CMA approval for allotment. The Applicant, after the announcement of the allotment, shall ensure that the allotted shares are appearing in its account with MCD.</p>
<b>Refund of Application Money</b>	<p>Refund of application money, if any, shall be made to the Applicant's bank within three working days of the Allotment.</p>

<b>Listing</b>	As the shares of the Company are already listed on the MSX, the Offer Shares shall also be listed on the MSX.
<b>Approvals for the Issue</b>	<ul style="list-style-type: none"> <li>• Approval vide EGM held on 05 April 2023</li> <li>• CMA approval vide its Administrative Decision No KH /72/2023 dated 07 September 2023</li> </ul>
<b>Issue Manager</b>	Ubhar Capital SAOC P.O. Box 1137, P.C. 111, CPO, Sultanate of Oman Tel: +968 24949010 Fax: +968 24949099 Email: <a href="mailto:ubhar-corporatefinance@u-capital.net">ubhar-corporatefinance@u-capital.net</a>
<b>Legal Advisor to the Issue</b>	Zaid Al- Malki and Nasser Al-Tabeeb Advocacy and Legal Consultants P.O. Box 1118, P.C. 133, Al Khuwair, Sultanate of Oman Tel: +968 99000300
<b>Statutory Auditor</b>	BDO Oman Suite # 601-602, Pent House, Beach One Building Way 2601, Shatti Al Qurum, Muscat Tel: +968 24795 5100, Fax: +968 2464 9030 Email: <a href="mailto:muhammad.arfan@bdo.com.om">muhammad.arfan@bdo.com.om</a>
<b>Collecting Agent</b>	Ubhar Capital SAOC P.O. Box 1137, P.C. 111, CPO, Oman Tel: +968 24949021, Fax: +968 24949099 Email: <a href="mailto:a.farsi@u-capital.net">a.farsi@u-capital.net</a>

## CHAPTER 3: USE OF PROCEEDS AND ISSUE EXPENSES

### Use of Proceeds

Proceeds from the Rights Issue will be used to meet the working capital requirements.

### Estimated Issue Expenses

The issue expenses of the Rights Issue are estimated at RO 63,500, which is equal to approximately 5.4% of the total gross proceeds of the Rights Issue, assuming full subscription. The issue expenses will be borne entirely by the Issuer.

The estimated issue expenses under various heads are given in the following table:

<b>Particulars</b>	<b>Amount (RO)*</b>
Issue Management Fees	24,500
Legal Advisor Fees	5,000
CMA Fees	5,000
Marketing, Advertising, Printing, Postage and Publicity	26,000
MCD and Other Expenses	3,000
<b>Total estimated issue expenses</b>	<b>63,500</b>

\*These are estimates and may change as per actuals. The estimates exclude VAT.

## CHAPTER 4: ISSUER'S OBJECTIVES AND APPROVALS

### Overview

National Aluminium Products Company SAOG is a public listed joint stock company registered in the Sultanate of Oman on 14 January 1984 under the commercial registration number 1220250 in accordance with the Commercial Companies Law of the Sultanate of Oman, 2019, and its shares are listed on Muscat Stock Exchange.

The registered commercial activities include Smelting and rolling drag and purification of nonferrous metal ore (excluding precious metals) such as copper, lead, zinc chrome, tin, aluminium etc. and mixtures of these metals.

As a public joint stock company whose shares are listed and traded on the MSX, NAPCO is also regulated by the CMA. Apart from this, the Company's business operations are subject to compliance with the Company's own policies and procedures and the laws and regulations of Oman.

### Objects of the Company

Under the Articles of Association, the objects for which the Company is established are as stated below:

1. manufacturing, trading in the field of Aluminium and metals or other relevant products.
2. undertaking all the works relevant or supplementary to these objectives.

The objectives referred above are subject to the laws in force in the Sultanate of Oman from time to time and are subject to regulatory approvals.

### Licenses

The Company is required to obtain and maintain certain licenses, permits and memberships that are renewable, where applicable, in accordance with their terms. The Company presently holds the following material licenses:

Authority	Description	Expiry Date
MOCIIP	Commercial Registration No. 1220250	07 December 2024
Oman Chamber of Commerce and Industry	Membership Certificate No. 489	31 December 2023
Public Establishment for Industrial Estates (Madayn)	Manufacture of other non-ferrous metals (MADAYN)- Investment Cost of Project more than (500) Thousand Rials	16 August 2024



## Approvals

The Issue has been approved by:

- EGM – vide resolution dated 05 April 2023.
- CMA - vide its Administrative Decision No KH /72/2023 dated 07 September 2023.

## Changes in Company's Paid-up Capital during last five years

Year	Paid-up Capital Opening Balance (RO <000)	Bonus Shares (RO '000)	Shares Issuance (RO '000)	Rights Issue (RO '000)	Paid-up Capital End of the Year (RO <000)
2019	3,357.145	-	-	-	3,357.145
2020	3,357.145	-	-	-	3,357.145
2021	3,357.145	-	-	-	3,357.145
2022	3,357.145	-	-	-	3,357.145
June 30,2023	3,357.145	-	-	-	857.145

Source: Company Financials

At the Extraordinary General Meeting (EGM) held on 5th April 2023, the following resolutions related to the capital structure was passed:

1. Approving the restructuring of the company's capital through the following:
  - a) Reducing the company's issued capital from Rial Omani 3,357,145 by Rial Omani 2,500,000 (two million five hundred thousand Omani rials) to become Rial Omani 857,145 (eight hundred and fifty-seven thousand one hundred and forty-five rials), represented by 8,571,450 shares. RO 2.5 million written off from the accumulated losses, and the accumulated losses becomes Rial Omani 2,559,685 (Two million, five hundred and fifty-nine thousand, six hundred and eighty-five Omani riyals), according to the audited financial statements for the year ending on December 31, 2022.
  - b) Using the full legal reserve of RO 1,119,048 to write off part of the company's accumulated losses. The accumulated losses, after writing-off the legal reserve, amounted to Rial Omani 1,440,637, according to the audited financial statements for the year ending on December 31, 2022.
  - c) Approval of increasing the company's issued capital by RO 1,175,000 by issuing 11,750,000 right shares at the price Baizas 100 per share, so that the company's capital becomes 2,032,145 Omani Riyals, represented by 20,321,450 shares.
2. Amending Article (5) of the Company's Articles of Association after completing the capital restructuring procedures.
3. Authorizing the Board of Directors or whomever the Board appoints to take all required measures to manage matters related to restructuring the company's capital.
4. Authorizing the Board to allocate the unsubscribed shares from the right issue to potential investors through private placement, according to the conditions and procedures in this regard.

## Shareholders holding 5% and above shares as at 29 August 2023

Name	Nationality	Number of shares	%
Global Financial Investments Holding Company SAOG	Oman	1,765,262	20.59
Oman & Emirates Investment Holding Co SAOG	Oman	1,139,363	13.29
Mr. Ibrahim Abdullah Rashid Al Ismaili	Oman	765,958	8.94
Total		3,670,583	42.82%

Source: MCD

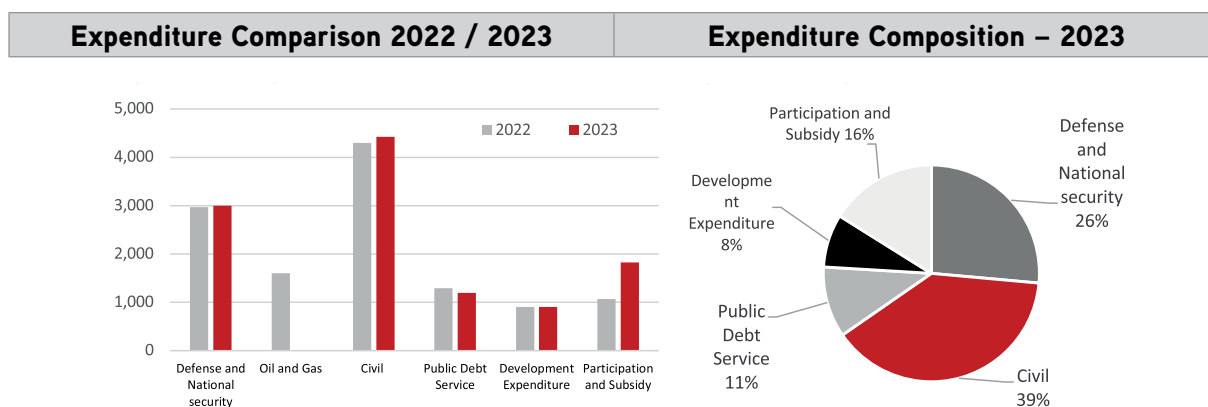
## CHAPTER 5: OVERVIEW OF THE OMAN ECONOMY

### Oman Budget 2023

The Government expects to earn revenue of RO 10.05 billion in 2023 which is 5.0% lower than the budgeted revenue of 2022. The Government has budgeted an 11.2% increase in the oil production, which at a higher budgeted price of USD 55/bbl (2022: Budgeted oil price: USD 50/bbl), is expected to increase the oil revenue. However, the reduction in total revenue arises from lower gas revenue, compared to 2022 gas revenue, after establishing Integrated Gas Company (IGC) which would transfer gas revenue to the treasury while covering the expenses of purchasing and transporting natural gas.

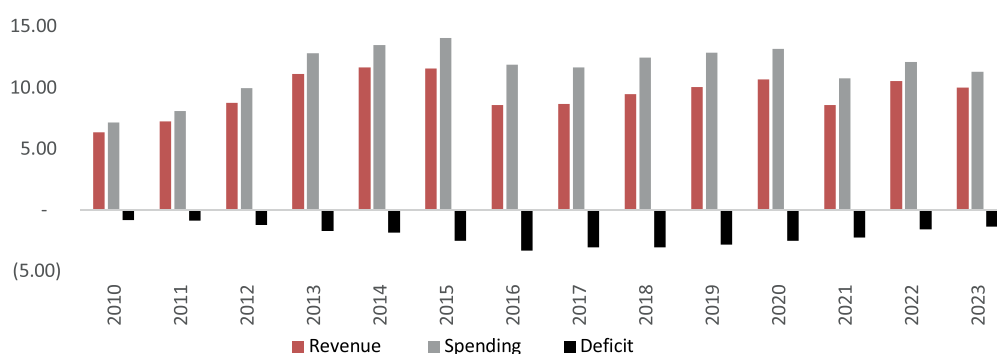
Oman government has budgeted spending of RO 11.35 billion for 2023 compared to RO 12.13 billion in 2022, lower by 6.4% when compared to Budget 2022. Current expenditure comprises (75.9% of the total), investment expenditure (7.9%), participation, and other expenses at 16.1%. Spending on social sectors and basic services is allocated at RO 4.3 billion, such as education (at 44% of total), health care (at 22%), housing (at 12%) and social welfare (at 22%). The spending on such basic services represents about 38% of total spending. Spending on development projects is estimated at RO 900 million in 2023 budget, representing the estimated amount to be paid during the year as per the actual work in progress for the projects. The total subsidies budgeted for the year 2023 amount to RO 813 million. The budget deficit for 2023 is estimated at RO 1.30 billion vs. RO 1.55 billion deficit budgeted for 2022.

The State Budget has allocated RO 900 million for Developmental Expenditures, which when included with the new budget line item of Projects with a Developmental Impact worth RO 200 million, brings the total investment expenditure to RO 1.1 billion. Energy development Oman (EDO) is expected to spend RO 1.5 billion for oil & gas exploration and Oman Investment Authority (OIA) is expected to undergo investments worth RO 1.9 billion. This brings the total allocated expenditure to RO 4.5 billion for 2023.



Source: Budget Announcement

## Oman General Budget – RO billion (Budgeted figures)



Source: Budget Statement

## IMF Assessment -June 2023

- I. Oman's economy continues to grow, and inflation is contained at low levels.
- II. Real GDP grew by 4.3 percent in 2022, primarily driven by a strong expansion of the hydrocarbon sector.
- III. Economic growth is estimated to be 1.3 percent in 2023 to 2.7 percent in 2024.
- IV. Average headline inflation eased from 2.8 percent (year-over-year) in 2022 to 1.6 percent during January-April 2023 (year-over-year), reflecting lower food inflation and a stronger US dollar.
- V. The fiscal balance reached a surplus of 7.5 percent of GDP in 2022 and is expected to remain in surplus over the medium term on the back of favourable oil revenues and fiscal measures under the authorities' Medium-Term Fiscal Plan.
- VI. Central government debt as a share of GDP declined significantly from 61.3 percent in 2021 to 40 percent in 2022.
- VII. The banking sector remains sound. Profitability has recovered from pandemic lows. Banks display ample capital and liquidity buffers. Asset quality remains strong while credit to the private sector continues to expand.
- VIII. Going forward, the authorities' structural agenda under Oman's Vision 2040 will support stronger, private sector-led, job-rich non-hydrocarbon growth while entrenching fiscal and external sustainability.
- IX. The near- to medium-term outlook is favourable and risks to the outlook are balanced.

## Oman Credit Rating

Agency	Rating	Outlook	Date
S&P	<b>BB</b>	Positive	April 2023
Fitch	<b>BB</b>	Positive	April 2023
Moody's	<b>Ba2</b>	Positive	May 2023

## CHAPTER 6: BUSINESS OVERVIEW

National Aluminium Products Company SAOG was established in 1984 and is one of the leading extruders of aluminium profiles in the GCC market. The manufacturing plant is spread over 62,000 sq meters in the Rusayl Industrial estate. The annual production capacity is 42,000 MT, with four state of the art extrusion presses from Europe.

The principal activity of the Company is in the manufacturing and sale of aluminium products. The Company has a 100% owned subsidiary “Novel Aluminium Products Company LLC” in UAE. The principal activities of the subsidiary are trading of aluminium products.

### Sector Overview

Aluminium is one of the world’s most used metals and plays a vital part in modern life. Aluminium is used in sectors such as Transportation, Electrical, Construction, Packing etc. It is expected that demand for Aluminium will increase going forward and will play a key role in the development of a more sustainable society.

The global extrusion demand is largely driven by China followed by USA and Europe. GCC has limited traction in the global market. Within GCC, Saudi and UAE have been historically the largest markets. The construction industry is the main driver and contributes to the major portion of the aluminium extrusion market in the GC C region. Consumer goods, industrial goods, and electricity and energy compose the remaining market.

### Domestic Industry Landscape

- I. Oman has been increasing production of aluminium extrusion products. Production has increased at a CAGR of 10% between 2010 to 2019, before falling at CAGR of 27% from 2019 to 2022.
- II. The domestic market has traders, fabricators, and system houses. NAPCO is the only extruder in Oman.
- III. Local demand in Oman is largely catered by imports from the neighbouring GCC countries especially UAE, KSA and China
- IV. Main aluminium extrusion imports into Oman are solid bars and rods and profiles. UAE is the major supplier of bars, rods and profiles to Oman followed by Saudi Arabia.
- V. UAE is the main supplier for doors, windows and frames as well followed China.
- VI. The imports of aluminium extruded products are mainly from GCC neighbouring countries.
- VII. Some of the major competitors of NAPCO include Alupco and Talco from KSA; Gulf extrusion, Nalexco, Emirates extrusion, Talx , White aluminium extrusion, Arexco from UAE

## Products and Process

### Extrusion Process

Aluminium extrusion is a technique used to transform aluminium alloy into objects with a definitive cross-sectional profile for a wide range of uses. The Company’s plant is equipped with four state-of-the-art European extrusion presses. The presses are imported from SMS Schloemann, Germany (2000MT), Danieli Breda Italy (2800MT) and two from Tecalex, Spain (1800MT). The Company produces extruded profiles for Architectural and Industrial purposes.

### Anodizing

NAPCO has one anodizing line , using a sulphuric acid process with an electro colouring facility from SAS, UK and Metachem, Germany. The Company produces a wide range of colours such as silver, bronze, black either in matt or polished. The Company’s anodizing is certified by EURAS-QUALANOD.

## Power Coating

Equipped with the latest environment friendly chrome free pre treatment and a state of the art PLC controlled powder application system from Nordson, USA, the Company provides high quality powder coated products with Horizontal Powder Coating and Vertical Powder Coating. The current capacity is 27,000 MT per annum.

## Wood Finish

The Company has two wood finish lines “powder on powder” coating system that can produce a wide range of wood effects and special textures on Aluminium profiles.

## Thermal Crimping

The Company has a Thermal Crimping facility and is able to provide customers with thermally broken profiles for architectural use to help in conserving energy, reducing water condensation and noise pollution.

## Packaging and Delivery

The Company has developed standard packaging methods based on experience. The Company also offers custom packaging solutions for extruded aluminium profiles.

## SWOT Analysis

<b>Strengths</b> <ul style="list-style-type: none"><li>• NAPCO is currently the only manufacturer and exporter of aluminium extrusion products in Oman, thereby presenting growth opportunities in Oman and GCC.</li><li>• Diverse range of aluminium extrusions products allows NAPCO to cater to multiple industries and customer segments.</li><li>• Established brand name and strong reputation for high quality products and services.</li><li>• Proximity and access to the other GCC and Asian markets and ports.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Intense Competition especially from other GCC producers.</li><li>• Fluctuation/volatility in aluminium prices.</li><li>• Increased energy prices.</li><li>• Imbalance in the supply and demand.</li><li>• Increase in financing cost.</li><li>• Lack of unified architectural building code for the extruded aluminium profile.</li></ul>
<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Reliance on export markets given the small size of the domestic market.</li><li>• Higher operational cost.</li><li>• High dependence on the construction sector, making it vulnerable to fluctuations in the market.</li></ul>	<b>Opportunities</b> <ul style="list-style-type: none"><li>• Higher Infrastructure spending as per Vision 2040 plan.</li><li>• Diversifying into newer markets.</li><li>• Well positioned and established in the market due to proven quality, international accreditations, and excellent customer service levels.</li></ul>

## **Legal Proceedings**

As of the date of this Prospectus, the Company does not have any significant/material legal proceedings pending in a court of law in Oman or outside, against the Company, other than normal cases filed by clients and/or the Company in the normal course of business. The Company was charged RO 27,000 by banks in 2022 as penalty for breaching loan covenants. All material information related to investors are disclosed on MSX on a timely basis.

## **Outlook**

With the increase in demand for lightweight and durable extruded products in various industries, the aluminium extrusion market is growing at a steady rate. However, the aluminium extrusion industry in the GCC is likely to continue facing challenging environment during 2023. LME price fluctuation is expected to remain as a major uncontrollable external factor along with larger GCC players continuing to be aggressive in pricing. Further, challenges in the form of continued increase in energy prices, tariffs and high financing rates are putting pressure on the margins.

To overcome these challenges, the Company is exercising all available options by effectively utilizing the operational resources, cost curtailment initiatives and improving efficiencies to sustain operating margins. The Company has extended its export market to overseas countries for better liquidity, which is expected to result in improved operating margins and reducing the cash flow cycle.

## CHAPTER 7: SUMMARY FINANCIALS

The following information has been extracted from the audited financial statements of 2022 and 2021 and unaudited financial statements for the six (6) months ending 30 June 2023. For full financial statements, please visit MSX website at [www.msx.om](http://www.msx.om) or Company's website at [www.napcooman.com](http://www.napcooman.com).

### Balance Sheet

In RO	30 Jun 23	31 Dec 22	31 Dec 21
<b>Assets</b>			
Property, plant and equipment	10,482,256	10,746,918	11,830,992
Investment property	460,000	460,000	460,000
Intangible assets other than goodwill	59,192	71,274	86,542
Right-of-use assets	931,366	949,627	984,404
Investments in subsidiaries	0	0	0
Investments in associates	0	0	0
Deferred tax assets	783,810	628,500	0
Current inventories	3,078,774	2,402,175	3,283,246
Trade and other current receivable	11,307,916	7,856,186	12,722,867
Cash and bank balances	54,089	260,688	201,156
<b>Total assets</b>	<b>27,157,403</b>	<b>23,375,368</b>	<b>29,569,207</b>
<b>Liabilities</b>			
Total equity	(32,610)	967,106	5,267,149
Non-current provisions for employee benefits	266,499	298,977	292,487
Non-current lease liabilities	1,071,471	1,068,158	1,045,256
Trade and other current payables	9,794,653	5,011,134	3,454,700
Borrowings, current	15,992,262	15,964,865	19,444,487
Current lease liabilities	65,128	65,128	65,128
<b>Total liabilities</b>	<b>27,190,013</b>	<b>22,408,262</b>	<b>24,302,058</b>
<b>Total equity and liabilities</b>	<b>27,157,403</b>	<b>23,375,368</b>	<b>29,569,207</b>
Book value per share (Baizas)	(3.80)	29	157

## Income Statement

In RO	For the financial period ended		
	30 Jun 23	31 Dec 22	31 Dec 21
Revenue	16,043,776	24,447,847	28,536,427
Cost of sales	15,493,019	25,382,634	28,014,720
Gross profit	550,757	(934,787)	521,707
Other income	34,484	275,079	370,542
Allowance for Expected Credit Losses	29,074	957,145	406,397
General and administrative expense	587,457	2,050,470	1,483,170
Selling, distribution and marketing expenses	508,148	811,884	1,000,859
<b>Profit (loss) from operating activities</b>	<b>(510,364)</b>	<b>(3,522,062)</b>	<b>(1,591,780)</b>
Finance costs	644,662	1,406,481	1,476,328
Profit (loss) before income tax, continuing operations	(1,155,026)	(4,928,543)	(3,068,108)
Income tax expense, continuing operations	153,310	(628,500)	(163,112)
Profit (loss) from continuing operations	(999,716)	(4,300,043)	(2,904,996)
Net Profit / (Loss) for the period	(999,716)	(4,300,043)	(2,904,996)
Earnings per share (Baizas)	(233)	(128)	(87)

## Un-audited results as of 30 June 2023

RO	30-Jun-23	30-Jun-22	Growth %
Total assets	27,157,403	24,890,456	9.1%
Equity	(32,610)	3,475,606	n.m
Total revenue	16,043,776	12,873,094	24.6 %
Profit (loss) from operating activities	(510,634)	(1,334,122)	61.7 %
Net Profit / (Loss) for the period	(999,716)	(1,791,543)	44.2%



## CHAPTER 8: RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel, key shareholders and other business entities held under common control as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

	31 December 2022	31 December 2021
	RO	RO
<b>Directors:</b>		
Directors' sitting fees	50,000	50,000
Travelling expenses	980	-
Total	50,980	50,000
<b>Senior management:</b>		
Short term employment benefits	356,450	340,355
End of service benefits	19,359	21,656
Total	375,809	362,011
<b>Total</b>	<b>426,789</b>	<b>412,011</b>

## **CHAPTER 9: RISK FACTORS AND MITIGANTS**

An investment in the Offer Shares is subject to a number of risks. Before deciding whether to invest in the Offer Shares, Applicants should carefully consider and evaluate the risks inherent in the Company's proposed business, including the risks described below, together with the information contained in this Prospectus. Such risks could have an impact on the Company's proposed business and anticipated financial conditions or results. In such case, Applicants could lose all or part of their investment. Additional risks and uncertainties may also have an adverse effect on the Company's proposed business.

The following risk factors are not comprehensive or exhaustive, as additional risks and uncertainties not presently known or that the Company currently believes not to be of significance may also have an impact on the Company and its proposed operations. The actual risks and the impact of such risks could be materially different from those mentioned herein. If any of these uncertainties develop into an actual event, the Company's proposed operations and results could be adversely impacted. It should also be noted that the Company intends to undertake steps and/or measures necessary in order to mitigate the risks referred to below apart from those that may be caused by factors that are beyond the Company's control, including, in particular, factors of political and economic nature.

It is to be noted that past performance is not indicative of future results.

Shareholders should consider carefully whether subscribing to the Offer Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

### **Risks Relating to the Company, Sector and Industry**

#### **Challenging macro-economic conditions**

The Company's business and operations are affected by conditions in the Oman and other markets to which the Company exports, which in turn may be affected by regional and global economic conditions generally. A wide variety of factors may negatively impact economic conditions and consumer confidence in target markets, including the oil prices which the economy of Oman and most other countries in the Middle East have a high degree of reliance on. Changes in economic conditions can impact the financial results of the Company. The factors such as consumer spending, business investment, government spending, regulation, strength of capital markets and inflation all affect the business and economic environment and, ultimately, Company's activities, profitability and its share price. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending, the demand for Company's products may be adversely affected.

The Company considers the economic outlook and its implications while drawing up its business plan. The company is always concerned about the prevailing and future changes in the global and national policies and will take appropriate and timely measures to safeguard its interests. Furthermore, the Board and the management monitor the functioning of the Company and adopt suitable actions in the event of any unanticipated developments. Strong brand equity of the Company in the local and international markets is expected to help withstand any unexpected changes or potential threats. Nevertheless, a stable and congenial business environment is the best situation in which the Company will achieve its maximum potential.

## **Competition**

The Company operates in a competitive business environment where it faces competition especially on the pricing front from companies based out of other GCC countries. This could result in increased pressure on margins and profitability.

The Company has successfully accessed the market till date and is working on offering new and better quality products at competitive terms

## **Uncertainty in Aluminium prices**

Aluminium price movement can be highly fluctuating thereby increasing the uncertainty regarding it. Volatile aluminium prices have been a major concern for the Company as it has negatively impacted the production, necessitated the requirement to hold more funds for working capital among other things.

The Company has put in place various risk management policies and procedures to manage these risks and to conduct its operations in a prudent manner.

## **Increase in tariffs and taxes**

Any unexpected or unforeseen increase in taxes or tariffs could have a negative impact on the margins and profitability of the Company especially if the higher costs/expenses cannot be passed on to the end consumer.

The Company monitors the hikes and addresses it prudently to minimize such risks.

## **Significant Leverage**

The Company has financed its operations through borrowings. Any changes in the interest rates could have a material adverse impact on the Company's operations, financial condition, and results of operations. This could result in the Company being unable to meet its financial obligations and may have adverse effects on the Company's operations, financial condition, and results of operations. As a part of availing facilities from Banks, the Company is subject to certain financial covenants, the breach of which prevents/reduces the Company's ability to make certain payments including dividend distributions.

The Company is very careful in addressing these issues and has put in place various policies and procedures to ensure prudent cash flow management.

## **Business cyclicality**

The business which the Company is in is subject to cyclical changes, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors that are beyond the control of the Company. This cyclicality can produce periods characterized by price competition due to excessive supply as well as periods characterized by higher premiums due to shortages of supply. The Company is exposed to such regular effects, including the need to increase or decrease prices to remain profitable and competitive, which could have a material adverse effect on the Company's financial condition, results of operations and cash flows.

The Company has put in place various risk management policies and procedures to manage such risks and conduct its operations in a prudent manner.

## **Product Development**

The Company is in continuous need to meet the demand for its products to be developed in a way to effectively cater to evolving customer needs. Any delay or non-availability of products and/or services may result in the Company losing its customers to competitors.

The Company is aware of technological changes, has adopted new technology and is continuously improving and innovating products to meet the ever-changing market needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

## **Critical Accounting Estimates**

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## **Risk of Dependence on Key Personnel**

The success of the Company depends, in part, on the Company's ability to continue to attract, retain and motivate qualified and skilled personnel. The Company relies on its senior management for the implementation of its strategy and its day-to-day operations. If the Company were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have an adverse effect on the operations of the Company, its business, and profits.

The Company places high importance on developing conducive human resource policies aimed at achieving employee satisfaction and motivation which help employee retention as well as attracting new talent.

## **Foreign Exchange Risk**

Foreign exchange risk is the risk that the foreign currency positions taken by the Company may be adversely affected due to volatility in foreign exchange rates. The Company's transactions in foreign currencies are in EURO, US Dollars, Australian Dollars, UAE Dirhams, Saudi Riyals, and Pound Sterling.

The Company has substantial amount of imports and exports denominated in USD and since the Omani Rial is pegged to USD, there is no significant foreign exchange rate impact. However, if there is any significant adjustment or fluctuation in foreign exchange rates, it could impact the industry as a whole and there would be price adjustment in the market. The Company has put in place various risk management policies and procedures to monitor and these risks and to conduct its operations in a prudent manner.

## **Business Continuity Risks**

The Company's business may be affected by natural disasters and accidents such as fire and other risks outside its control, which may result in interruption of business, loss of property, records, and information. Any interruption or threat, real or perceived, to the Information Technology (IT) system and the Production process of the Company could significantly impact its operations. These could have substantial adverse impact on the financial position of the Company.

The company is equipped with power backup and security system, and strong Maintenance team which reduce operational risk. Besides, the equipment's have Insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk. The Company has put in place suitable Business Continuity Plans to mitigate potential business interruptions or loss of information.

## **Risk Factors Related to the Offer Shares Following the Listing**

**Share price fluctuation:** After the listing of the Offer Shares on the MSX, the price of the Shares may fluctuate for various reasons and may go below the Issue Price.

**Liquidity:** There are no guarantees that an active market will exist in the Shares on the MSX. To that extent, the Shareholders face the risk of holding shares that may not be actively traded.

**Future increase of equity capital or capital securities:** The Company, may, in the future, increase its equity capital through further issues of shares and/or may issue other capital securities. Such capital increases could impact the price of the Shares on the MSX and/or potential dividends.

**Market fluctuations:** Market fluctuations and other factors may adversely affect the trading price of the Shares regardless of the actual operating performance of the Company. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on market conditions.

# CHAPTER 10: SHAREHOLDING DETAILS AND CORPORATE GOVERNANCE

## Shareholders

The table below shows the Company's shareholders as of **29 August 2023**.

Name	Number of shares	%
Global Financial Investments Holding Company SAOG	1,765,262	20.59
Oman & Emirates Investment Holding Co SAOG	1,139,363	13.29
Mr. Ibrahim Abdullah Rashid Al Ismaili	765,958	8.94
Others	4,900,867	57.18
<b>Total</b>	<b>8,571,450</b>	<b>100.00%</b>

Source: MCD

## Corporate Governance Framework

The Company's corporate governance philosophy has been developed within the directives and guidelines of the CMA (including the Code) and the CCL and requires that the Board and management shall:

- maintain the highest standard of corporate governance and regulatory compliance;
- promote transparency, accountability, responsiveness, and social responsibility;
- conduct their affairs with stakeholders, customers, employees, investors, vendors, government, and society at large both fairly and in an open manner; and
- create an image of the Company as a legally and ethically compliant entity.

## Board

The Board of the Company was elected by the Shareholders during the Annual General Assembly that took place on 29 March 2023, for a period of three years.

The Board is responsible for overseeing the Company's management and business affairs and makes all major policy decisions for the Company.

The Board is responsible for approving the financial statements of the Company, and the overall compliance of the Company with the applicable rules and regulations. The Board continuously protects and enhances shareholders' value by looking after the Company's overall corporate governance. The Board members have acknowledged that they shall, during the term of the Board, remain compliant with the applicable rules and regulations, and they shall inform the Company of any changes in their status, which might affect their category or status. Directors are nominated to the Board of the Company in accordance with the CCL. The Company's Board's principal responsibilities are as follows:

- Appointing key executives with integrity, technical and managerial competence, and appropriate experience, and deciding their compensation package;
- Overseeing succession planning and replacing key executives when necessary;
- Reviewing key executive and Board remuneration packages and ensuring such packages are consistent with the Company's corporate values and strategy;
- Ensuring a formal and transparent Board nomination process;
- Effectively monitoring and evaluating management's performance in implementing agreed strategy and business plans, and ensuring that appropriate resources are available;
- Approving budgets, reviewing performance against those budgets, and deciding on the future strategies and plans;
- Meeting regularly with senior management and respective Board Committees to establish and approve policies and review key developments;
- Identifying, understanding, and measuring the significant risks to which the Company is exposed in its business activities;

- Board members shall independently assess and question the policies, processes and procedures of the Company, with the intent to identify and initiate management action on issues requiring improvement (i.e. to act as checks and balances on management). Procedures may be defined to appoint advisors or external experts to assist Board members in effectively discharging their responsibilities; and
- Approve financing transactions as per Delegation of Authority Matrix.

## **Powers of the Board**

The Board has full authority to perform all acts required for the management of the Company for achievement of the Company's objectives and for the implementation of the resolutions of the general meeting. Such authority shall not be limited or restricted except as provided by law and regulations in force in the Sultanate or by the Articles of Association or by a resolution of the Shareholders. Some of the principal functions of the Board include:

- To approve the commercial and financial policies and the estimated budget of the Company with a view to achieving the objectives of the Company and to the maintenance and promotion of the rights of its shareholders.
- To draw up, review and update the necessary plans from time to time for implementation of the Company's objectives and carrying out its activities in the light of the objective for which it has been established.
- To adopt the Company's disclosure procedures and follow up of the implementation thereof in accordance with the rules and conditions of disclosure issued by the CMA.
- To supervise the performance of the executive management and ascertain the good performance of the business in a manner which achieves the objectives for which the Company has been established.
- To provide accurate information to the shareholders at the times specified pursuant to the Disclosure Guidelines issued by the CMA.
- To appraise the performance of the Company's employees referred to in the preceding paragraph and to assess the works performed by the related committees of the Board formed pursuant to Article 183 of the CCL.
- To approve the financial statements related to the Company's activities and the results of its business as submitted to it by the executive management every three months, which should reflect the exact financial position of the Company.
- To include in the annual report presented to the General Meeting the reasons, which justify the ability of the Company to continue pursuing its specified activities and achievement of its objectives.
- To appoint a secretary to the Board of Directors in its first meeting who shall not be a member of the Board of Directors and convene four meetings annually in accordance with the requirement of the CCL.
- To include in the financial statements a full statement of all amounts which might have been received by any director from the Company during the year including the amounts paid to Directors.

## **Composition of the Board**

Details of the current Board members, who were elected at the Annual General Meeting held on 29 March 2023, are as follows:

<b>Name of Director</b>	<b>Category</b>	<b>Represents</b>
Dr. Zakia Hassan Ihsan Al Naseeb	Non-Executive	Independent
Mr. Saed Saif Nasser Al Saadi	Non-Executive	Independent
Mr. Yousuf Mohammed Al Abri	Non-Executive	Independent
Mr. Hussam Bustami	Non-Executive	Independent
Mr. Nabil Issa Al Hasni	Non-Executive	Independent
Mr. Sami Salim Al Sahib	Non-Executive	Independent

**Note:** As disclosed in MSX on 01 August 2023 (01/08/2023), Dr Ismail Ahmed Ibrahim Al Balushi (Board Member and Chairman of Audit Committee) submitted resignation on 30 July 2023 due to personal reasons and the Board accepted his resignation on 31 July 2023. The Board will look for suitable replacement in due course as per CMA rules and regulations. Post the resignation, the Company has six Board members.

### **Brief Profile of Directors**

The profile of the Board members is provided below:

#### **Dr Zakia Hassan Ihsan Al Naseeb - Chairperson**

Dr Zakia holds a PhD in Human Resources from The American University and master's degree in business administration from Huron University. Dr Zakia has worked for more than 30 years in MOD Human Resources department.

#### **Mr. Saed Saif Nasser Al Sadi- Member**

Mr Said has a master's degree in finance management from the Hall University in the UK. He is a Board member in Oman and Emirates Investment Holding Company SAOG, Oman chrome Company and has over 21 years of experience in financial matters.

#### **Mr. Yousuf Mohammed Al Abri-Member**

Mr. Yousuf has a B.A in Accounting. He is a Board Member in Obar Hotels and Spa. He has vast experience in Pension Trust and has attended different courses in Leadership Management, development of work process and simplifications of procedures and total quality.

#### **Mr. Hussam Bustami- Member**

Mr Hussam has a Master's degree in Banking and Financial Studies from the Arab Academy for Banking and Financial Sciences in Jordan. Currently he is working in the position of Acting CEO for Global Financial Investments Holding Company SAOG. He is a Board member in companies such as United Finance SAOG, A'Sharqiyah University and Al Madina Logistics Services etc.

#### **Mr. Nabil Issa Al Hasni- Member**

Mr. Nabil has Minor master's in business administration from Egypt in 2011. He has also participated in Tom Oliver program for executive leaders in Oman in 2020. He has vast experience in stock market services and is a Board member in Al Anwar Investments SAOG and Sharqiyah University.

#### **Mr. Sami Salim Al Sahib- Member**

Mr. Sami has Master of Business Administration from the University of Bedfordshire-UK. He is currently working as DG of Industry in the Ministry of Commerce and Industry and Investment Promotion. He has 23 years of experience including Board directorship, strategy formulation/execution, most notably , Manufacturing Strategy 2040 , National Cross-sector In-Country Value (ICV) Strategy, Industrial Estates (Madayn) Strategy for the Sultanate of Oman.

### **Board Committees**

The Board of Directors has created various sub-committees for specific purposes with the clearly defined term of reference and responsibilities. The committees' mandate is to ensure focused and specialized attention to specific issues related to the Company's governance. The various committees of the Board together with the Internal Audit, Risk and Compliance Department form an important tool in the process of corporate governance.



## Audit Committee

The Board has established Audit Committee comprising of three members, the majority of them including Chairman are independent. The Company's Internal Regulation on Corporate Governance lists out the roles and responsibilities of the Audit Committee members. In compliance with the requirements of clause 2 (b) of tenth principle of the code, one of the members of the Audit Committee has finance and accounting experience.

The main functions and responsibilities of the Audit Committee are as follows:

- A. Reviewing the annual audited financial statements and the Auditors' Report on the financial statements prior to submission to the Board for approval;
- B. Propose the name of external auditor, fees and other terms of external auditor to the Board for final approval by the AGM;
- C. Reviewing and approving the quarterly financial statements prior to submission to the Board for approval;
- D. Proposing the name of internal auditor, and fees to the Board for approval;
- E. Reviewing the scope and plan of internal audits;
- F. Reviewing and discussing accounting and reporting policies and changes in accounting principles;
- G. Assessing the effectiveness of the Company's internal control systems and procedures and the process for identifying principal business risks;
- H. Reviewing compliance with the Code of Conduct;
- I. Reviewing proposed specific transactions with related parties (if any) and providing recommendations to the Board;
- J. Meeting with the internal and external auditors independently of management of the Company; and
- K. Approval of non-audit services by the external Auditors, if any.

<b>Audit Committee</b>	
<b>Name of Members</b>	<b>Position</b>
Mr. Hussam Bustami	Member
Mr. Nabil Issa Al Hasni	Member
Mr. Saed Saif Nasser Al Sadi	Member

## Nomination & Remuneration Executive Committee

The Board of Directors has constituted a Nomination & Remuneration Executive Committee (NREC) to assist the Company's Board of Directors in its oversight role with respect to all matters relating to the nomination, training and remuneration of directors; selection, appraisal and remuneration of top Executives of the Company. The NREC comprises of 4 members of the Board. A minimum of three members constitutes a quorum for the NREC meeting. A director member only is elected as Chairperson of the NREC.

<b>Nomination &amp; Remuneration Committee</b>	
<b>Name of Members</b>	<b>Position</b>
Dr Zakia Hassan Ihsan Al Naseeb	Chairperson
Mr. Hussam Bustami	Member
Mr. Yousuf Mohammed Al Abri	Member
Mr. Sami Salim Al Sahib	Member

## **Senior Management**

The Company's senior management team is responsible for the day-to-day supervision and control of the Company's business. All significant policies are reviewed and approved by the Board.

### **Mr. Ali Rashid Abdullah Al Shamsi, Chief Executive Officer**

Mr Ali Al Shamsi has over nineteen years of experience in the Aluminium Manufacturing and Oilfield Sector. He has MBA from Bedfordshire, UK and has finished National CEO program.

### **Mr. Hamed Ali Al Rashdi – Deputy Chief Executive Officer (Nominee)**

Mr Hamed has completed BSC from University of Arizona and MSC from Sultan Qaboos University in Electrical Engineering. He has more than thirty years of experience in both Public and Private Sector.

### **Mr. Raees Ahmed – Chief Financial Officer**

Mr Raees is a qualified ACMA form Institute of Cost & Management Accountant of Pakistan. He has more than eighteen years of experience in national and multinational companies out which fourteen years is in the Aluminium Extrusion Industry.

### **Mr. Sutanay Parida –Acting COO**

Mr Sutanay has completed Bachelor of Technology in Mechanical Engineering and has more than twenty years of experience in the Aluminium Extrusion Industry.

## **Employees**

The Company's human resources policies are designed to attract, retain, and motivate high-calibre, professional, skilled, and knowledgeable employees. As of 30 June 2023, the Company employed 291 fulltime staff. The Company is committed to identifying, attracting and developing Omani nationals in its workforce. The Company's Omanization level as of 30 June 2023 was 37 percent.

## CHAPTER 11: SHARE PRICE MOVEMENT AND DIVIDEND POLICY

### Share Price Movement (value in RO)

The movement in share price of the Company is as under:

Period	Opening Price	High Price	Low Price	Closing Price
2018				
Q1	0.151	0.330	0.151	0.322
Q2	0.322	0.368	0.299	0.364
Q3	0.364	0.390	0.350	0.382
Q4	0.382	0.382	0.346	0.346
2019				
Q1	0.350	0.352	0.328	0.340
Q2	0.330	0.338	0.306	0.306
Q3	0.245	0.256	0.170	0.182
Q4	0.170	0.170	0.153	0.170
2020				
Q1	0.170	0.170	0.153	0.169
Q2	0.169	0.169	0.113	0.113
Q3	0.113	0.113	0.085	0.092
Q4	0.090	0.097	0.082	0.086
2021				
Q1	0.088	0.121	0.076	0.111
Q2	0.113	0.176	0.100	0.171
Q3	0.172	0.172	0.103	0.147
Q4	0.144	0.153	0.115	0.134
2022				
Q1	0.140	0.142	0.078	0.094
Q2	0.095	0.105	0.080	0.081
Q3	0.085	0.096	0.077	0.080
Q4	0.083	0.086	0.068	0.078
2023				
Q1	0.075	0.078	0.055	0.055
Q2	0.055	0.055	0.045	0.180

Source: MSX

## Dividend Policy

The Company's dividend policy complies with CMA guidelines. The Company follows a conservative dividend policy and shall recommend the distribution of the dividends to the shareholders after due consideration of the regulatory guidelines, the future growth expectations, AGM approval and other factors.

The historical dividend details of the Company are given below:

For Year	Cash dividend	Stock dividend
2018	0.013	-
2019	-	-
2020	-	-
2021	-	-
2022	-	-

Source - MSX

## Average Share Price \*

Period Ending 31 July 2023	Average Closing Price (RO)	(Premium) / Discount of Issue Price to Average Closing Price
1-month average closing price	0.180	44.4%
3-month average closing price	0.180	44.4%
6-month average closing price	0.114	12.2%
1-year average closing price	0.089	(12.4)%

Source: MSX. The above calculations are for the period ended 31 July 2023.

\* There was a technical adjustment in the share price of NAPCO by MSX. The closing price as on the date of EGM (05th April 2023) was 46 baiza and the share price has been revised to 180 baiza post technical adjustment. The new share price is calculated by dividing the pre capital reduction market capitalization by the new number of shares.

- A. Market capitalization of NAPCO as per the cutoff date of 05th April 2023 = RO 1,544,286.7 ie share price of 46 baiza multiplied by previous number of shares (33,571,450)
- B. New number of shares after the capital reduction = 8,571,450
- C. New price (RO) = (A)/(B) = 1,544,286.7 / 8,571,450 = 0.180

The shares were subsequently traded on July 13th and July 16th at 116 baiza and the quantity traded were 16,085 and 11,000 shares respectively. As the company is listed on the 'Under Monitoring Market', the closing price will not change till the traded quantity (volume) exceeds the minimum traded volume threshold which is  $\geq 20,001$ . Hence the closing price of NAPCO as on 31 July 2023 was 180 baiza since the traded volumes on July 13th and July 16th did not cross the minimum threshold.

## CHAPTER 12: RIGHTS AND LIABILITIES OF SHAREHOLDERS

This Chapter summarizes the rights and liabilities of shareholders in an Omani public joint stock company, effective as of the date of this Prospectus. The description provided hereafter is only a summary and neither purports to give a complete overview of the rights and liabilities of Shareholders nor of relevant provisions of the Laws of Oman/any applicable CMA circular. Additionally, this Chapter should not be considered as legal advice regarding these matters. A copy of the Articles of Association is available with the corporate office of the Company.

### Shareholders' Liability

The liability of a Shareholder is limited to the payment of the value of the Company for which such Shareholder subscribes, and a Shareholder is not responsible for the debts of the Company except to the extent of the value of the Shares for which such Shareholder subscribes.

### Shareholders' Rights

In accordance with the CCL, all Shares enjoy equal and inherent (attached) rights in the ownership thereof, which include:

- i. the right to receive dividends declared by the general meeting;
- ii. the preferential right of subscription for new Shares;
- iii. disposal of the Shares;
- iv. obtaining a copy of the financial statements;
- v. inspection of the shareholders' register;
- vi. attending general meetings and voting on the items of their agendas and perusal of their minutes;
- vii. the right to apply for suspension or annulment of any resolution adopted by the general meetings or the Board of Directors which is contrary to law, the Articles of Association, or other internal regulations of the Company;
- viii. the right to institute actions against the Directors and auditors of the Company on behalf of the shareholders or on behalf of the Company;
- ix. the right to participate in the distribution of the Company's assets upon its liquidation;
- x. shareholders are entitled under the CCL to approach the CMA (provided that the move is supported by Shareholders who own at least 5% of the Shares) to suspend resolutions of the general meeting which are in favour of or against any category of Shareholders or in favour of members of the Board of Directors or others;
- xi. the right to take legal proceedings before the competent court in accordance with Article 207 of the CCL.

### Ownership and Transfer of Shares

Ownership and transfer of Shares shall be entered in the registers of the MCD. The transfer of ownership must also be entered in the shareholder register maintained by the Company, which includes the name and nationality of each Shareholder in addition to their place of residence and the number of Shares they own.

In case of the death of a Shareholder the person whose name stands next in the register, where the deceased was a joint holder, shall be deemed by the Company to be the representative of the joint owners of the Shares. If the deceased was a sole holder, their legal personal representatives shall be the only

persons recognized by the Company as having any title to their Shares, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share which had been held by him with other persons.

### **Reports and Statements to be Sent to the Shareholders**

Within 60 days from the end of the Financial Year, the Board of Directors is required to prepare a report containing the Company's position and performance. Such report must particularly contain the financial position of Company and its subsidiaries, any net profits proposed to be distributed to Shareholders, any changes to the business of the Company or of its subsidiaries, and anything that has affected the Company's position or its ability to continue to practice all of its activities and achieve its objectives, as well as any other data specified by any executive regulations pertaining to the CCL from time to time (including the SOAG Regulations). The report shall also address the Company's compliance with governance and sustainability requirements.

The report must be signed by the Chairman or Vice Chairman of the Board of Directors, a member of the Board of Directors and the Chief Executive Officer of the Company.

The auditor shall prepare a report, in accordance with IFRS showing the actual financial position of the Company. Such report shall include, in addition to the data specified by the regulations to the CCL, a statement on whether the financial statements reflect the true financial position of the Company.

The financial statements and the reports provided for above must be submitted to the annual ordinary general meeting, and a copy of such financial statements and reports must be sent to the CMA prior to the approval of the agenda of the general meeting. If the financial statements and the aforementioned reports are not submitted to the general meeting, the resolution approving the accounts submitted thereto will be null and void.

The Board of Directors must send to each Shareholder and anyone who is entitled to attend the annual ordinary general meeting, along with the invitation for attendance, a summary of the audited financial statements, and copies of the reports of the Board of Directors and the auditor related thereto, at least fifteen (15) days prior to the general meeting. Copies of the aforementioned statements and reports, and the resolution of the general meeting in respect thereof, must be filed with the registrar within seven (7) days of the date of convening the general meeting.

If it appears to the Board of Directors prior to the convening of the annual general meeting that there are errors in the financial statements, it shall correct such errors and send a notice thereof to the Shareholders and the persons entitled to attend the general meeting, prior to the convening of the general meeting. If the Board of Directors are unable to make the correction prior to convening of the general meeting, the general meeting shall postpone the consideration of the report to another meeting, unless the error is not material. The Board of Directors shall send a copy of the report after it has been corrected to the CMA and file a copy thereof with the registrar within seven (7) days of the date of sending it to the CMA.

The Board of Directors will also prepare unaudited quarterly financial statements for the first, second and third quarter of each Financial Year. These statements will also be disclosed through the MSX website. The Company will also publish the unaudited quarterly financial statements as directed by the CMA.

## **CHAPTER 13: SUBSCRIPTION CONDITIONS AND PROCEDURES**

### **Eligibility for Subscription**

The Rights Issue is open to all Eligible Shareholders and to each person who purchases all or part of the Rights Entitlement of an Eligible Shareholder.

Each Eligible Shareholder is entitled to approximately 137.0830 Offer Shares for every 100 Shares held by them on the Record Date, duly rounded down, or to 1 Offer Share for approximately every 0.7295 Shares held by them on the Record Date, duly rounded down.

The Rights Entitlement will be listed on the MSX and can be sold or purchased during the Rights Trading Period through the MSX.

### **Rights Subscription Period and Issue Price**

Issue opens on – 26 October 2023

Issue closes on – 02 November 2023

The Collecting Agent will reject any Application Form that reaches it after its official working hours on the Subscription Closing Date.

The Rights Entitlement, and any right to participate in the Rights Issue, will lapse if a valid application is not made during the Subscription Period. A failure to validly apply for Offer Shares during the Subscription Period will constitute a waiver of rights of participation in the Rights Issue.

Issue Price – Baizas 100 per Offer Share.

### **Trading of Rights**

The Rights Entitlement is tradable on the MSX in accordance with applicable laws/regulations of the CMA and the MSX. Such rights can be traded i.e. bought and sold during the Rights Trading Period. The purchaser of a Rights Entitlement shall contact and coordinate with the Issue Manager to collect the requisite Application Form, complete and submit the Application Form to the Collecting Agent, together with application money and required documents, in each case on or before the Subscription Closing Date in accordance with the terms contained in this Prospectus. An unexercised Rights Entitlement shall lapse at the end of the Subscription Period.

### **Subscription for Additional Shares**

1. Only Eligible Shareholders are eligible to apply for Additional Shares.
2. An Eligible Shareholder who does not subscribe to their full Rights Entitlement or sells their Rights Entitlement (either partially or in full) is not eligible to apply for Additional Shares.
3. A non-Shareholder as on Record Date who purchases a Rights Entitlement, is not eligible to apply for Additional Shares.
4. Eligible Shareholders validly subscribing for their full entitlement of Offer Shares may apply for Additional Shares.
5. Eligible Shareholders who wish to apply for Additional Shares should indicate this by writing the desired number of Additional Shares in their Application Form and making the required payment with submission of the Application Form to the Collecting Agent.
6. The minimum Additional Shares that can be applied for is one Offer Share with the maximum up to a number such that the total application (including such Eligible Shareholder's Rights Entitlement, any Rights Entitlement purchased from another Eligible Shareholder, and Additional Shares) does not exceed the entire Rights Issue size.

7. Additional Shares will be allotted simultaneously with the Offer Shares, subject to CMA approval.
8. If the total Additional Shares applied for exceeds the under-subscription (before considering Additional Shares) in the Rights Issue, all eligible Applicants will be allotted Additional Shares on a pro-rata basis proportionate to the number of Additional Shares applied for, and the balance will be refunded.
9. If the total Additional Shares applied by Applicants is less than the under-subscription (before considering Additional Shares) in the Rights Issue, all eligible Applicants will be allotted all of the Additional Shares applied for by them.
10. If the Applicants do not subscribe for all of the Additional Shares within the specified period, then the Board of Directors shall offer such shares for subscription pursuant to the provisions of the Securities Law and other applicable laws and regulations, or reduce the amount of the increase of the share capital to the level of the total received subscription amount, i.e. reduced by an amount equal to the value of the shares that have not been subscribed for, as per Article 140 of CCL.

The decision of the Issue Manager, in consultation with the CMA, shall be final and binding in respect of the allotment of Offer Shares, including Additional Shares.

**Note: Applicants should ensure that their post-rights issue shareholding is within the shareholding limits prescribed in the Company's Articles of Association, Laws of Oman, and applicable regulatory requirements.**

The following is a worked example using illustrative numbers to show the methodology for allotting Additional Shares:

Particulars	Shares
Rights Issue Offer	100,000,000
Subscription	90,000,000
Unsubscribed	10,000,000
Additional Shares applications received from Eligible Shareholders	15,000,000
Allotment of unsubscribed shares on pro-rata basis based on applications received for Additional Shares Percentage allotment of Additional Shares (10,000,000/15,000,000=66.67%)	10,000,000
Refund of amount to Shareholders applying for Additional Shares equivalent to	5,000,000

Based on this example, a person applying for 3,000 Additional Shares will be allotted 2,000 Shares.

### **Subscription on Behalf of Minor Children**

1. An individual of age less than 18 years as on the Record Date will be considered a minor.
2. Only a father may subscribe on behalf of his minor child(ren).
3. If a subscription is made on behalf of a minor by any person other than the minor's father, the person submitting the subscription shall be required to attach a valid Shari'a (Legal) Power of Attorney issued by the competent authorities authorizing him to deal in the funds of the minor through sale, purchase and investment.

### **Minimum and Maximum Application**

The minimum application can be for one Share and the maximum application cannot exceed the Rights Issue size (including original Rights Entitlement, any Rights Entitlement purchased from another Eligible Shareholder, and Additional Shares).



## **Private Placement**

Based on the approval of the Extraordinary General Meeting of the Company held on April 5, 2023, the Board of Directors will allocate the unsubscribed shares in the right issue to potential investors, at its discretion (Private Placement), at the same subscription price, provided that all conditions and requirements included in the Public Joint Stock Companies Regulations apply to subscribers.

The privately placed shares shall be locked in for a period of two (2) years from the date of listing on the MSX without affecting the right of the shareholder to effect a secondary pledge on the shares.

## **Particulars of the Bank Account**

1. Each Applicant shall be required to furnish the particulars of their bank account (registered in the name of the Applicant). The Applicant shall not use the bank account number of any other person except in case of minor children only.
2. If the bank account of the Applicant is registered with a bank other than the one receiving the Application Form, they shall be required to submit a document in evidence of correctness of the bank account particulars as provided for in the Application Form. This can be done by submitting any document from the Applicant's bank, which clearly shows the account number and name of the account holder (Applicant), such as an account statement issued by the bank or a letter / document issued by the Applicant's bank, containing the aforesaid information. The Applicant shall ensure that such evidence submitted is readable in a clear manner. The Applicant is not obliged to submit evidence of their bank account if they are subscribing through the bank wherein they maintain their account. In this case, the bank receiving the subscription shall verify and confirm the Applicant's account details in its specific system and procedure.
3. The bank account provided in the Application Form would be used only for refunds.
4. The Application Form containing the bank account number of a person other than the Applicant shall be rejected except with respect to applications made on behalf of minor children that contain the bank account particulars of their father.

## **5. Documentation Required**

1. A copy of Applicant's Civil ID / Passport / Commercial Registration certificate, as applicable.
2. Submission of a document confirming correctness of the bank account details written in the Application Form, only if the application to be numbered is made through a bank other than the one with whom the Applicant has their bank account.
3. A copy of a valid Power of Attorney duly endorsed by the competent legal authorities in the event the subscription is on behalf of another person.
4. In case of applications made by juristic persons (non-individuals), which are signed by a person in their capacity as an authorized signatory, a copy of adequate and valid documentation should be attached.

## **5. Mode of Subscription**

1. The Collecting Agent has been instructed to only accept applications for subscriptions that comply with all the requirements as provided for in the Application Form and this Prospectus. It is the responsibility of the Applicant however, to ensure that the particulars and information contained in the Application Form are true, accurate and complete.
2. The Applicant shall be required, before submitting the Application Form, to peruse this Prospectus and read the conditions and procedures governing the subscription with care and importance.
3. Only the original Application Form (with preprinted details) sent to Eligible Shareholders should be used. Photocopies of Application Forms will not be accepted. If any Eligible Shareholder does not receive the Application Form, such person must contact the Issue Manager sufficiently in advance of the Subscription Closing Date to obtain a duplicate Application Form duly stamped by the Issue Manager.

4. Those who validly purchase a Rights Entitlement in the MSX during the Rights Trading Period should contact the Issue Manager and submit a copy of their purchase invoice issued by their broker or statement of account issued by MCD showing their holding of the Rights Entitlement. The Issue Manager will issue the Application Form to such Applicants. Only the Application Form issued by the Issue Manager should be used by such Applicants.
5. The Applicants are required to complete the Application Form for the subscription and furnish all their particulars including the shareholder number available with MCD, civil number/passport number, and date of birth in case of minor children.
6. Applicants are required to sign the Application Form to confirm that the particulars and information contained therein are true, accurate and complete. In case of minor children, only the father or legal guardian may sign the Application Form, on behalf of his minor children.
7. The Applicant shall submit the Application Form to the Collecting Agent and make payment at the Issue Price for all Offer Shares (including any Additional Shares) that are the subject of such application. The Applicant shall make such application in accordance with this Prospectus and shall ensure that all documents in support of the information furnished (referred to above) are enclosed.
8. If any overseas investor or Shareholder wishes to subscribe to the Rights Issue, they must pay in the currency of the Sultanate of Oman, i.e., Omani Rial. Payment shall be made by cheque or bank transfer.
9. In case of payment of the value of the subscription by cheque, it shall be in favor of 'NAPCO Rights Issue'.
10. In case of payment through bank transfer, the Applicant is responsible for ensuring the successful transfer of the subscription amount to the Collecting Agent within the subscription period and must attach a copy of the transfer acknowledgement copy to the Application Form. The transfers should be made to:

NAPCO Rights Issue a/c  
A/c no: 3160555559503  
Oman Arab Bank SAOG  
Swift Code: OMABOMRUXXX

### **Availability of Duplicate Application Forms**

Only the original Application Form (with pre-printed details) sent to Eligible Shareholders should be used. A photocopy of Application Forms will not be accepted. If any Eligible Shareholder does not receive the original Application Form, such person must contact the Issue Manager or the Collecting Agent sufficiently in advance of the Subscription Closing Date to obtain a duplicate Application Form. Applicants submitting a duplicate Application Form should not use the original Application Form, even if it is received/found subsequently. In case of violation of this requirement, both the Application Forms may be rejected.

### **Collecting Agent**

Application Forms may only be submitted to the Collecting Agent – Ubhar Capital SAOC during its official working hours.

The Collecting Agent will only accept receipt of an Application Form if the Applicant has complied with the procedure and subject matter in line with the requirements as provided for in this Prospectus; hence, the Collecting Agent must instruct the Applicants to comply and fulfil all requirements stated in the Application Form and this Prospectus.

An Applicant shall be responsible for the submission of their Application Form, together with full payment, to the Collecting Agent before closing of the Subscription Period. In this regard, the Collecting Agent has the right not to accept any Application Form that reaches it after its official working hours on the Subscription Closing Date.

### **Acceptance of the Applications**

Applications will be invalid in the following circumstances:

1. If the Application Form does not bear the signature and stamp (if applicable) of the Applicant with the exception of fathers who subscribe and sign on behalf of their minor children.
2. Failure to pay the full subscription amount (including, for the avoidance of doubt, related issue expenses) in accordance with the conditions provided for in this Prospectus.
3. If the value of the Offer Shares subscribed is paid through cheque and it is dishonoured for whatever reason.
4. If the Application Form does not bear the Applicant's investor number available with MCD.
5. If the Applicant's account number stated in the Application Form is incorrect.
6. If there is more than one Application Form with same Applicant name (in which case, all of them shall be rejected).
7. If the supporting documents referred to in this Prospectus are not enclosed along with the Application Form.
8. If the Application Form does not contain all particulars of the bank account of the Applicant.
9. If the bank account details of the Applicant in the Application Form are found to be incorrect.
10. If the bank account details provided in the Application Form are found to not be those of the Applicant with the exception of applications submitted in the name of minor children, which may include the particulars of bank accounts held by their father.
11. In the case of a failure to attach the Power of Attorney with the Application Form as provided for in this Prospectus in respect of a person who subscribes and signs on behalf of another person (with the exception of a father who subscribes on behalf of his minor children).
12. If the application is incomplete and/or has not complied with the legal and other requirements as provided for in this Prospectus.
13. If the Application Form is not the original form sent by the Company or a form which is not duly issued by the Issue Manager or the Collecting Agent .
14. If the Application Form is not complete or any information provided in it is found to be incorrect.

If the Collecting Agent observes, after receipt of the Application Form and before expiry of the time schedule prescribed for handing over the Application Forms in final form to the Issue Manager, that the application has not complied with the legal or other requirements as provided in this Prospectus, then the Collecting Agent shall take due efforts to contact the Applicant so as to correct the detected mistake. In case of failure to have the mistake corrected within the period referred to, the Collecting Agent shall return the Application Form to such Applicant together with the subscription amount before the expiry of the period specified for submitting the Application Form to the Issue Manager.

### **Refusal / Rejection of Applications**

The Issue Manager may reject a subscription application under any of the conditions referred to above, after securing the approval of the CMA and the submission of a report furnishing the details of the applications that are required to be rejected and reasons behind such rejection. If it is observed, from the register of the final subscribers submitted by the Collecting Agent , that there are applications which bear the same shareholder number or same civil number or same bank account number (with the exception of minor children), all such application shall be rejected for belonging to the same Applicant.

## **Enquiries and Complaints**

Applicants seeking clarification or filing complaints about allotment or rejected applications or refunds may contact the branch of the Collecting Agent where the Application Form was submitted. Refunds of excess funds shall be made net of bank charges, and for refunds in foreign currency as per the foreign exchange rate between RO and the currency of the other country.

In case of absence of response from the Collecting Agent, the Applicant may contact the person concerned as hereunder:

### **Mr Ahmed Marhoon Al Farsi**

Head of Back Office, Operations & Support Functions  
Ubhar Capital SAOC  
P.O. Box 1137, P.C. 111, CPO, Oman  
Tel: +968 24949021, Fax: +968 24949099  
Email: [a.farsi@u-capital.net](mailto:a.farsi@u-capital.net)

If the Collecting Agent fails to arrive at a solution or settlement with the Applicant, it shall refer the matter to the Issue Manager, and keep the Applicant updated. The Applicant shall also keep in touch with the Collecting Agent to know the outcome.

### **Issue Manager's Contact Details:**

#### **Mr. Muhammad Kashif Sabih**

Head - Corporate finance and Advisory  
Ubhar Capital SAOC  
P.O. Box 1137, P.C. 111, CPO, Oman  
Tel: +968 24949008 Fax: +968 24949099  
Email: [ubhar-corporatefinance@u-capital.net](mailto:ubhar-corporatefinance@u-capital.net)

## **Restrictions on Shareholding**

Applicants are required to comply with any shareholding limits prescribed by the Company's Articles of Association, the Laws of Oman, and/or any other applicable legal and regulatory requirements (together the "Shareholding Limits").

If an Applicant's shareholding is likely to exceed any Shareholding Limits, such Applicant must obtain all requisite approvals for such potential excess shareholding before they submit their Application Form. The Applicant must attach to their Application Form a copy of the relevant approval for such excess shareholding.

Notwithstanding anything to the contrary in this Prospectus, the allotment of Offer Shares under the Rights Issue will be restricted in accordance with the foregoing, and the rights of Eligible Shareholders (and of any purchaser of their Rights Entitlement) in this Prospectus shall be construed accordingly.

## **Payments for Additional Shares**

The payment for Additional Shares shall be made at the time of submission of Application Form to the Collecting Agent. If the Applicant fails to pay for any Additional Shares pursuant to the Application Form, the application will be rejected.

## Allotment and Refund

The Offer Shares shall be allotted, and refunds will be made (if required) within six working days from the Subscription Closing Date, after obtaining CMA approval for allotment. The Applicant, after the announcement of the allotment, shall ensure that the allotted shares are appearing in its account with MCD.

Refund of excess funds (if any) must be made to the Applicant's bank account as provided in the Application Form, and in case of any discrepancy, the Collecting Agent / Issue Manager should be contacted immediately.

## Responsibilities of Shareholders/ Applicants in Rights Issue

A Shareholder as of the Record Date of 15 October who sells their Rights Entitlement through the MSX will lose their right to subscribe to the Offer Shares to that extent. Furthermore, such Shareholders cannot apply for Additional Shares.

An investor who buys the Rights Entitlement through the MSX should exercise their right to subscribe to the Offer Shares by submitting their Application Form (which can be obtained from the Issue Manager) to the Collecting Agent before the end of the Subscription Period. Such investors are not eligible to apply for Additional Shares unless they are also Eligible Shareholders.

## Company's Right

The Company reserves the right to withdraw / cancel the Rights Issue prior to the listing date for any reason including in the event of any unforeseen development adversely affecting the economic and regulatory environment, any force majeure condition including any change in applicable law, etc. If the Rights Issue is withdrawn / cancelled, the received subscription amounts will be refunded in full, without any interest or further liability.

## Proposed Timetable

The following is only an indicative proposed timetable for the Rights Issue:

ACTIVITY	DATE*
<b>Approval of this Prospectus by CMA</b>	07 September 2023
<b>Date of Publication of Announcement:</b> After approval of this Prospectus, at least five (5) working days before the Record Date, the Issuer must publish an advertisement approved by the CMA through the electronic publication system and in one (1) Arabic daily newspaper at least, notifying the Shareholders and other investors of the Rights Issue. The advertisement must include a summary of this Prospectus including the amount and percentage of the increase in the capital, Issue Price, the Record Date, Collecting Agent, Subscription Period and the Rights Trading Period.	08 October 2023
<b>Record Date:</b> Shareholders registered in MCD records as at this date are eligible for subscription to the Rights Issue as holders of the Rights Entitlements.	15 October 2023

ACTIVITY	DATE*
<b>Service of Notices on the Shareholders:</b> At least three (3) days before Subscription Opening Date, and not more than 15 days from the publication of the announcement, the Issue Manager shall send written notices to each Eligible Shareholder at its address or to its email or through any other means written in the shareholders' register advising of the Rights Issue together with a summary of this Prospectus and an Application Form. The notice must specify the number of Offer Shares that may be subscribed, the Subscription Period and the Rights Trading Period.	22 October 2023
<b>Listing of the Rights Entitlement (Rights Trading Opening Date):</b> The Issuer and the Issue Manager, in collaboration with MCD and MSX, will carry out the procedures for listing of the rights for trading on MSX within five working days from the Record Date. A record of holders of the rights shall be prepared for the purposes of the trading of the rights within the specified period. The rights shall be separated from the shares and shall be traded separately.	22 October 2023
<b>Date of Commencement of Subscription (Subscription Opening Date):</b> Application Forms will be issued directly to the Shareholders, but duplicate Application Forms may be obtained from the Collecting Agent or Issue Manager.	26 October 2023
<b>End of Trading of the Rights (Rights Trading Closing Date)</b>	30 October 2023
<b>End of Subscription Period (Subscription Closing Date):</b> After this date, the Issue Manager shall collect the list of subscription from the Collecting Agent, verify the subscription list, match it with the rights holders' record.	02 November 2023
<b>Allotment Approval:</b> Submission of Subscription results to CMA by Issue Manager to obtain CMA approval on the proposed allotment.	07 November 2023
<b>Listing and Allotment:</b> The new Offer Shares shall be allotted and listed on the MSX within 6 working days of the Subscription Closing Date.	09 November 2023

\*The actual dates may vary.

## Responsibilities and Obligations

The Issuer, Issue Manager, Legal Advisor, Collecting Agent and the MCD shall abide by the responsibilities and duties specified under the Regulations issued by the CMA and shall comply with any other responsibilities and obligations set out in the agreements entered into between them. The parties concerned shall be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. In such event the Issue Manager shall liaise with relevant authorities such as CMA and MSX for taking suitable steps and measures for repairing such damages.

## CHAPTER 14: UNDERTAKINGS

### National Aluminium Products Company SAOG

The Board of Directors of National Aluminium Products Company SAOG jointly and severally undertake that:

1. The information provided in this Prospectus is true and complete.
2. Due diligence was done to ensure that no material information has been omitted, the omission of which would render this prospectus misleading.
3. All provisions of the Securities Law promulgated by Royal Decree 46/2022, the Executive Regulations to the Capital Market Law issued pursuant to CMA Decision 1/2009 (as amended), the Commercial Companies Law promulgated by Royal Decree 18/2019 and the Public Joint Stock Company Regulations to the Commercial Companies Law issued pursuant to CMA Decision 27/2021 and the rules and regulations issued thereunder have been complied with.

Signed on behalf of the Board of Directors:

<b>Name</b>	<b>Signature</b>
Mr. [•]	Sd/-
Mr. [•]	Sd/-

## **Issue Manager**

Pursuant to our responsibilities under Article 13 of the Executive Regulations to the Capital Market Law issued pursuant to CMA Decision 1/2009 and the directives issued by CMA,, we have reviewed all relevant documents and other material required for the preparation of this Prospectus pertaining to the Rights Issue.

The Board of Directors of National Aluminium Products Company SAOG shall bear the responsibility for the validity and correctness of the information provided in this Prospectus, and they have confirmed that no material information has been omitted from it, the omission of which would render this prospectus misleading.

We do confirm that we have taken necessary due care as required by our profession with regard to this Prospectus that has been prepared under our supervision. On the basis of the review work referred to above and discussions held with the Issuer, its Directors, officials and other related parties with regard to the subject matter of the Issue and contents of the documents submitted to us, we confirm as under:

1. We have taken necessary and reasonable care to ensure that the information given to us by the Issuer and that contained in this Prospectus are consistent with the facts available in the documents and other material pertaining to the Issue.
2. To the best of our knowledge and on the basis of our perusal and information given to us by the Issuer, the Issuer has not omitted any material information, the omission of which would render this Prospectus misleading.
3. This Prospectus and the Issue to which it relates is consistent with all the rules and terms of disclosure stipulated for in the Securities Law promulgated by Royal Decree 46/2022, the Executive Regulations to the Capital Market Law issued pursuant to CMA Decision 1/2009 (as amended) and prospectus models applied by CMA, and is in conformity with the Commercial Companies Law promulgated by Royal Decree 18/2019 and the Public Joint Stock Company Regulations to the Commercial Companies Law issued pursuant to CMA Decision 27/2021 and decisions issued in this regard.
4. The information contained in this Prospectus in Arabic (with its unofficial translation in English) is correct, reasonable and adequate as per our perusal to assist the investor in taking an appropriate decision whether or not to invest in the securities offered.

Sd/-

**Ubhar Capital SAOC**



### **Legal Advisor to the Issue**

The Legal Advisor, whose name appears below, hereby confirms that all the procedures undertaken with regard to the offering of the securities, the subject matter of this Prospectus are in line with the laws and legislations related to the Issuer's business, the Securities Law promulgated by Royal Decree 46/2022, the Executive Regulations to the Capital Market Law issued pursuant to CMA Decision 1/2009 (as amended), the Commercial Companies Law promulgated by Royal Decree 18/2019, the Public Joint Stock Company Regulations to the Commercial Companies Law issued pursuant to CMA Decision 27/2021, and the regulations and directives issued pursuant to them, the requirement and rules for the issue of securities issued by the CMA, the Articles of Association of the Issuer and the resolutions of the General Meeting and Board Of Directors of the Issuer. The Issuer has secured all the consents and approvals of the official authorities required to carry out the activities which is the subject matter of this Prospectus.

Sd/-

**Zaid Al- Malki and Nasser Al-Tabeeb Advocacy and Legal Consultants**