His Majesty Sultan Haitham bin Tarik

شركة ريسوت للإسمنت
Raysut Cement Company

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Made in Oman

We Guarantee Quality

ملتزمون بالجودة

OUR NETWORK
شبكتنا

INVESTOR RELATIONS:

Full disclosure and transparency in RCC's business operations is key to good investor relations. We make sure that necessary financial information is available and easily accessible to all stakeholders. All information is presented as clearly and as detailed as possible.

Vision:

To create value on a sustained basis for all stakeholders through the standards of transparency, accountability and responsibility, innovation and leadership in cement manufacturing while fulfilling corporate social responsibility.

Mission:

Our mission is to create long-term value and provide market-focused solutions to all our clients and partners through the development and conversion of natural resources into quality products.

ORGANIZATION:

Raysut Cement Company's marketing network is spread across many countries in Asia, Africa and the Middle East. We are managed
by the Board of Directors,

Tarek Talaat

Chief Executive Officer

Auditors

Abu Timam - Grant Thornton

Bankers

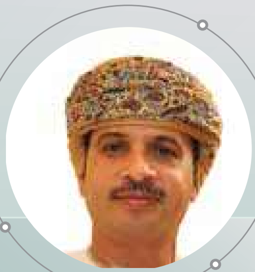
Oman Arab Bank (SAOG)
Bank Dhofar (SAOG)
Bank Muscat (SAOG)
Bank Sohar (SAOG)
Ahli Bank (SAOG)
Bank Nizwa (SAOG)

شركة ريسوت للإسمنت
Raysut Cement Company

Board of Directors

Hamdan Ahmed Al Shaqsi

Chairman



Ahmed Saud Al Zakwany

Board Member

Majid Sultan Al Toky

Vice Chairman

Mubeen Jaleel Khan

Board Member

Dr. Ali Amor Al Gheithy

Board Member

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DIRECTORS' REPORT

For the year ended 31 December 2023

Dear Shareholders,

The Board of Directors of Raysut Cement Group of Companies (SAOG) are pleased to present to you the financial results of the Group For the year ended 31 December 2023.

Overview:

The year under review kicked off with state of uncertainty in the global economy due to cumulative impacts of adverse events such as the COVID-19 pandemic and ongoing Russia-Ukraine conflict. The unfolding effects of such events left catastrophic repercussions on global trade, severely disrupting the supply chain, causing shortage of commodities and increased energy prices. Inflation soared to multidecade high owing to dwindling demand, supply chain disruptions and spikes in commodity prices globally.

Company's leadership is proactively implementing various strategies and plans to mitigate the prevailing challenges affecting the Company's financial performance and operations. The leadership is committed to increasing operational efficiencies through cost optimization, risk management, and employing innovations to deliver value to our stakeholders. We hold the utmost confidence in the strength and perseverance of the business to navigate any challenges and adapt to changing economic scenarios with ease.

Raysut Cement Company and its subsidiaries demonstrated enhanced performance when compared to the prior year. During the financial year 2023, the company effectively managed its costs through optimization measures, resulting in operating profit compared to the loss reported in the previous year 2022.

Companies under the Group and major markets:

The major markets for the Parent Company are Dhofar in Oman and Yemen and East African Markets. While Sohar Cement Factory sells cement in northern Oman, for one of the other subsidiaries Pioneer, the main markets are UAE and Oman. The company also has its presence in Yemen through its' Associate company Mukalla Raysut Trading and Industrial Company. Raysut Maldives Cement Pvt. Ltd., another subsidiary of the company caters to the market of Maldives and thus the Group has set up its presence with the strategic intention to cover larger geographic area.

Capital Structure Change:

There was no capital restructuring; increase or reduction in capital or issue of bond, during the year 2023.

Dividend Policy:

The Company has been following a dividend policy based on performance achieved, market as well as investors' expectations.

The dividends declared during last five years are tabled below:

Year	2022	2021	2020	2019	2018
Dividend on paid up capital	-	-	-	-	12.5%

Employees:

The company always gives importance to attract and retain qualified and competent staff and to develop and enhance their competencies by providing proper training programs.

Social Responsibility:

The company prioritizes social responsibility and environmental protection, following international standards and continuously striving for improvement.

Internal Control:

The Board of Directors has set up an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting. The independent Internal Audit function of Raysut Cement Company regularly appraises and monitors the implementation of financial controls, while the Audit Committee reviews the effectiveness of the internal control framework and financial statements quarterly.

Future Outlook:

The Group aims to achieve optimum capacity utilization in all the plants while continuing with the cost reduction initiatives and focusing on increasing the sales revenue.

The steps taken towards setting strategic direction, improving the internal control system and strengthening corporate governance system and competency in human resources are also progressing as planned.

Acknowledgement:

On behalf of the Board of Directors, I would like to express our sincere gratitude to His Majesty SultanHaitham Bin Tarik and the Government for the support and guidance.

On behalf of my colleagues at the Board, I would like to thank you for your support and for your confidence in us. I would also like to thank our associates, dealers, customers, the management team and all our employees for their loyalty, integrity contributions, commitment, and continued support to the overall success of the Company.

Hamdan Ahmed Al Shaqsi
Chairman of the Board of Directors

2 MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management is pleased to present this report, accompanied by the audited financial statements for the Company for the financial year ended December 31, 2023. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

FINANCIAL RESULTS

Net Loss of the Group has decreased due to the material impact of impairment of Goodwill and Provision for impairment of financial assets, Inventory and CWIP in last year.

During the year the group performance is detailed below:

Revenue	**2023**	2022
	RO in Million	
Raysut Cement Company S.A.O.G (Parent)	**37.47**	45.36
Pioneer Cement Industries SPC	**18.31**	17.28
Sohar Cement Factory SPC	**15.47**	14.35
Raysut Maldives Cement Pvt. Ltd	**2.99**	4.74
Raysut Cement Trading Madagascar	**-**	0.99
Inter- company sales	**(7.48)**	(13.65)
Total consolidated revenue	**65.54**	69.07
Decrease in revenue: 5.12%		

	2023	2022
Sales Volume: Cement and Clinker:	**Million Tons**	
Raysut Cement Company S.A.O.G (Parent)	**1.75**	2.28
Pioneer Cement Industries SPC	**1.14**	0.97
Sohar Cement Factory SPC	**0.78**	0.76
Raysut Maldives Cement Pvt. Ltd	**0.06**	0.11
Raysut Cement Trading Madagascar	**-**	0.23
Inter- company sales	**(0.53)**	(0.92)
Total consolidated sales quantity	**3.20**	3.43
Decrease in sales quantity: 6.70%		

Profit:

Gross profit for the group stood at RO 12.01 million (LY: RO 1.82 million).

Operating profit for the group stood at RO 1.45 million (LY: loss RO 41.85 million).

Loss Before Tax during the year stood at RO 4.94 million (LY: loss RO 97.63 million).

Loss after Tax stood at RO 5.08 million (LY: loss RO 97.63 million).

The Highlights of Financial Results of the group during last five years:

R.O' Million

	2023	2022	2021	2020	2019
Sales	**65.54**	69.07	93.60	90.38	84.05
Operating profit / (loss)	**2.45**	(41.85)	(10.55)	(15.89)	7.77
Cash profit / (loss)	**2.27**	(12.18)	(6.34)	(5.80)	10.57
PBT	**(4.94)**	(97.63)	(14.11)	(19.99)	2.88
PAT	**(5.08)**	(97.63)	(13.58)	(18.28)	2.26
Equity & Reserve	**11.54**	16.61	114.24	127.86	145.87
Loans	**46.28**	46.61	43.82	39.77	41.67
Cash EPS RO	**(0.06)**	(0.06)	(0.03)	(0.03)	0.053
EPS RO	**(0.02)**	(0.05)	(0.07)	(0.09)	0.011
Dividend %	**-**	-	-	-	-
Production MT '000					
Clinker	**3,144**	3,004	3,104	3,599	3,453
Cement	**3,090**	3,160	3,799	4,110	3,523
Sales MT '000					
Cement	**3,085**	3,157	3,560	4,031	3,558
Clinker	**115**	269	328	640	732

PRODUCTION

The productions of Cement and Clinker stood at as below:

	Cement (in '000MT)		**Clinker (in "000 MT)**	
	2023	2022	**2023**	2022
Parent Company	**1,668**	2,177	**1,986**	2,050
Pioneer Cement	**637**	247	**1,158**	954
Sohar Cement	**785**	736	**-**	-
Consolidated	**3,090**	3,160	**3,144**	3,004

ACKNOWLEDGEMENTS

We take this opportunity to express our deep sense of gratitude to His Majesty and his Government for their continued guidance and support.

We thank our shareholders for their continued faith and support in what this Company stands for. We are also thankful to our customers, suppliers, financial institutions and various other stake holders of the company for their overwhelming support in achieving the objectives of the company. Our dedicated employees need special mention for the higher levels of achievement on a continual basis.

Tarek Talaat
Chief Executive Officer

Abu Timam
Grant Thornton

ابو تمام جرانت ثورنتون ش.م.م
محاسبون قانونيون
بيت أيتن
الطابق الخامس والسادس، رقم المبنى ٣٢٨٣،
المرحلة الثانية
الخوير
ص. ب ٥٧
الرمز البريدي ١١٨
سلطنة عمان

E-mail: info@om.gt.com
www.grantthornton.om

Abu Timam Grant Thornton LLC
Chartered Certified Accountants
Bait Eteen
5th and 6th Floors, Building No. 3283, Block Phase 2
Al Khuwair
P.O. Box 57
Postal Code 118
Sultanate of Oman

E-mail: info@om.gt.com
www.grantthornton.om

Agreed-Upon Procedures Report on the Code of Corporate Governance

To the Board of Directors of Raysut Cement Company SAOG

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting Raysut Cement Company SAOG (the "Parent Company" or "Company") in determining whether the Board of Directors' Corporate Governance Report (the "report") is compliant with the Code of Corporate Governance issued by the Capital Market Authority (the "CMA") vide circular no. E/10/2016 dated 1 December 2016 (the "Code") and may not to be suitable for any other purpose. This report is intended solely for the Company and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Directors

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Directors are responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Board of Directors, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the relevant ethical and independence requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standard)* (IESBA Code).

Professional Ethics and Quality Control (continued)

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This report relates only to the Board of Directors' Corporate Governance Report attached in Annexure 1 and its application of the corporate governance practices in accordance with the Code.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Board of Directors in the terms of engagement dated 15 November 2023, on the Board of Directors' Corporate Governance Report.

	Procedures	**Findings**
1	We obtained the Corporate Governance Report issued by the Board of Directors and checked that it includes as a minimum, all items suggested by the CMA to be covered by the report as detailed in Annexure 3 of the Code by comparing the report with such suggested content in Annexure 3.	We found that the report includes all items detailed in Annexure 3 of the Code.
2	We obtained the details regarding areas of non-compliance with the Code identified by the Board of Directors for the year ended 31 December 2023.	We observed that the Company's Board of Directors has not identified any areas of non-compliance with the Code, except that no appraisal of the Board of Directors was carried out relating to the year 2023. Further, we have noted the following: • The Board of Directors is in process of developing an internal code concerning ethics and professional conduct; and • The Parent Company's Chief Executive Officer ("CEO") is also serving as the CEO of the Group's subsidiary companies.

Nasser Al Mugheiry
License No. L2054901
ABU TIMAM
(Chartered Certified Accountants)

29 February 2024

3 Corporate Governance Report for the Financial Year 2023

1. A brief statement on Company's Philosophy on Code of Governance:

Corporate governance assumes a pivotal role in determining the success, long-term viability, and sustainability of any organization. Raysut Cement has strategically implemented a robust corporate governance system, characterized by framework, rules, and policies. This framework ensures the company's efficient trajectory towards sustainable long-term success while steadfastly adhering to pertinent laws and regulations.

Looking ahead, Raysut Cement remains resolute in applying sound corporate governance standards to ensure the ongoing sustainability of our business. We are steadfastly committed to creating long-term value for our shareholders, stakeholders, and the industry at large.

2. Board of Directors:

During the year previous year 2022, Capital Market Authority dissolved the then Board of Directors of the company and appointed a temporary Board for a period of three years, effective from 11 December 2022 by Administrative Decision No. (149/2022).

The new Board appointed by CMA consists of five Directors. All the present Directors are Independent and Non-Executive Directors. As per requirement of the Capital Market Authority and Commercial Companies Law of Oman, none of the Directors on the Board has combined membership in the Board of Directors of Public Companies or other committees more than what is stipulated in Company laws.

All the members of the present Board satisfy the conditions required for membership. The details of composition and categories of Directors are given below:

Composition of the Board of Directors.

	Name of the Director	Designate	Category, basis& capacity of membership
1	Mr. Hamdan Ahmed Hamood Al Shaqsi	Chairman	Non-Executive and Independent/In personal capacity
2	Mr. Majid Sultan Said Al Toky	Vice Chairman	Non-Executive and Independent/ In personal capacity
3	Mr. Ahmed Saud Said Al Zakwany	Director	Non-Executive and Independent/ In personal capacity
4	Dr. Ali Amor Ali Al Gheithy	Director	Non-Executive and Independent/In personal capacity
5	Mr. Mubeen Jaleel Khan	Director	Non-Executive and Independent/In personal capacity

3. Role of the Board of Directors and Management:

The Company's business is conducted by its employees, officers and Managers under the direction of the Chief Executive Officer and the oversight of the Board of Directors.

4. Board meetings, Audit Committee meetings and Executive, Nomination and Remuneration Committee meetings:

Board Meetings

During the financial year 2023, the Board of Directors met ten times. The maximum time gap between any two meetings was not more than four months.

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	02-01-2023	5	5
2nd meeting	17-01-2023	5	5
3rd meeting	01-02-2023	5	5
4th meeting	09-03-2023	5	5
5th meeting	19-03-2023	5	4
6th meeting	10-05-2023	5	5
7th meeting	12-06-2023	5	5
8th meeting	19-06-2023	5	5
9th meeting	06-08-2023 & 07-08-2023	5	5
10th meeting	24-09-2023	5	4
11th meeting	05-11-2023	5	4
12th meeting	31-12-2023	5	5

Audit Committee Meetings

The details of the Audit Committee Meetings held during the financial year 2023:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	09-02-2023	3	3
2nd meeting	05-03-2023	3	3
3rd meeting	13-03-2023	3	3
4th meeting	10-04-2023	3	2
5th meeting	09-05-2023	3	3
6th meeting	02-08-2023	3	3
7th meeting	02-11-2023	3	3
8th meeting	11-12-2023	3	3

Executive, Nomination and Remuneration Committee Meetings

The details of the Executive, Nominations and Remuneration Committee Meetings held during the financial year 2023:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	07-03-2023	3	3
2nd meeting	16-11-2023	3	3

The details of attendance of each Director at the Board and its Committees meetings held during the financial year 2023:

	Name	No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Executive, nominations and remunerations Committee Meetings attended
1	Mr. Hamdan Ahmed Hamood Al Shaqsi	11	-	2
2	Mr. Majid Sultan Said Al Toky	10	-	2
3	Mr. Ahmed Saud Said Al Zakwany	12	8	-
4	Dr. Ali Amor Ali Al Gheithy	12	8	2
5	Mr. Mubeen Jaleel Khan	12	7	-

The details of attendance of each Director at the Board meetings held during the financial year 2023:

	Name	Meeting Number & Dates of the meeting											
		1	2	3	4	5	6	7	8	9	10	11	12
		Jan 01	Jan 17	Feb 02	Mar 09	Mar 19	May 10	Jun 12	Jun 19	Aug 06 & 07	Sep 24	Nov 05	Dec 12
1	Mr. Hamdan Ahmed Hamood Al Shaqsi	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓
2	Mr. Majid Sultan Said Al Toky	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	×	✓
3	Mr. Ahmed Saud Said Al Zakwany	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr. Ali Amor Ali Al Gheithy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Mubeen Jaleel Khan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

N.A means- Not Applicable

The details of attendance of director at the Audit Committee Meetings held during the year 2023**:**

		Meeting Number and Date of the meeting							
		1	2	3	4	5	6	7	8
		Feb 09	Mar 05	Mar 13	Apr 10	May 09	Aug 02	Nov 02	Dec 12
1	Mr. Ahmed Saud Said Al Zakwany	✓	✓	✓	✓	✓	✓	✓	✓
2	Dr. Ali Amor Ali Al Gheithy	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Mubeen Jaleel Khan	✓	✓	✓	×	✓	✓	✓	✓

The details of attendance of director at the Executive Nominations and Remuneration Committee Meetings held during the financial year 2023:

		Meeting Number and Date of the meeting	
		1	2
		07-03-2023	16-11-2023
1	Mr. Majid Sultan Said Al Toky	✓	✓
2	Mr. Hamdan Ahmed Hamood Al Shaqsi	✓	✓
3	Dr. Ali Amor Ali Al Gheithy	✓	✓

The Annual General Meeting for the year 2023 is scheduled to be held on 24 March 2024.

5. Audit committee:

The Committee acts as a link between the statutory and internal auditors and the Board of Directors. It reviews the various reports placed before it by the Management and Audit Department and addresses to the larger issues, and examines and considers those facets that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they were aligned with the realities of the business, adequacy of disclosures and compliance with all relevant statutes.

The Audit Committee comprised of following Non-Executive Independent Directors:

Composition of the Audit Committee.

Mr. Ahmed Saud Said Al Zakwany	Chairman
Mr. Ali Amor Ali Al Gheithy	Member
Mr. Mubeen Jaleel Khan	Member

6. Executive, nomination, and remuneration committee

The role and power of the Committee is to implement the decisions of the Board of Director and to assist the general meeting in the nomination of proficient directors and the election of the most fit for purpose. Moreover, the committee aims to assist the board in selecting the appropriate and necessary executives for the executive management and to assist the company in formulating clear, credible, and accessible polices to inform shareholders about directors' and executives' remuneration.

The executive, nomination and remuneration Committee comprised of the following Non-Executive Independent Directors.

Composition of Executive, Nomination and Remuneration Committee.

Mr. Majid Sultan Al Toky	Chairman
Mr. Hamdan Ahmed Hamood Al Shaqsi	Member
Mr. Ali Amor Ali Al Gheithy	Member

7. Tender Committee

The role and power of the Tender Committee is to take decisions on the procurement of material and services. The Tender Committee is comprised of the heads of various departments.

8. Remuneration Matters

During the financial year 2023, the Directors were paid a total sum of RO 50,000 towards sitting fee for attending various board meetings, audit committee meetings, executive committee meeting and nomination and remuneration committee meeting as compared to RO 85,000 in 2022.

Name	Sitting fee RO
Mr. Hamdan Ahmed Hamood Al Shaqsi	10,000
Mr. Majid Sultan Said Al Toky	10,000
Mr. Ali Amor Ali Al Gheithy	10,000
Mr. Ahmed Saud Said Al Zakwany	10,000
Mr. Mubeen Jaleel Khan	10,000
Total	**50,000**

In addition to the above, the Company has made a provision of RO 150,000 (2022: RO Nil) as per the CMA approval for Directors Remuneration for the current year.

Remuneration for the top 5 employees of the company for 2023 including salary, allowances, benefits and other expenditures amount to RO 377,739 (2022- RO 392,420).

Service contracts are usually for two years and unless terminated by either of the parties is automatically renewed for a further period of two years. The notice period for termination of the contract is one to two months.

9. Disclosure of non-compliance

During the year, the company has diligently adhered to all applicable corporate governance regulations and standards. No instances of material non-compliance have been identified. In the event of any future non-compliance, the company is committed to promptly disclosing such instances and taking corrective actions to rectify the situation.

10. Board performance appraisal.

No appraisal of the Board was carried out relating to the year 2023.

11. Procedures and Conditions for the Selection of Board Members:

Article (6) of the Articles of Association of the Company shall be applied in the election of the members of the Board of Directors. However, the present Board is appointed by the Capital Market Authority effective from 11 December 2022 for a term of three years.

12. Means of Communication:

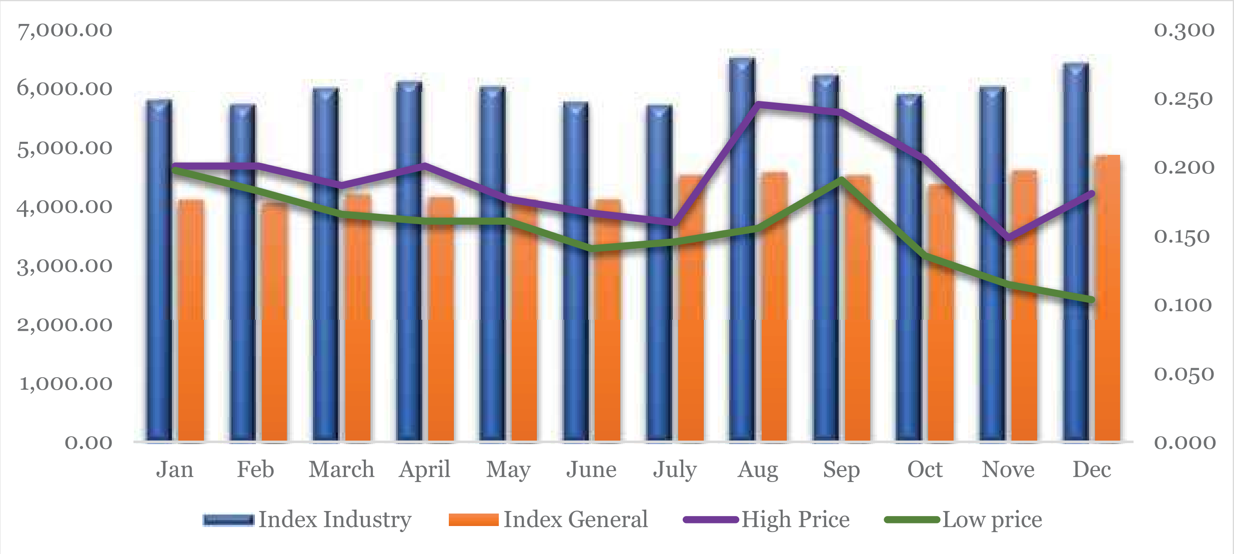
Annual financial statements and invitation to attend the annual general meeting to be sent by post to the shareholders according to their registered addresses. Annual, Quarterly and half yearly results were published in local newspapers as per the guidelines of Capital Market Authority and Muscat Securities Market.

Financials were also posted on the web site of Muscat Securities Market. The management discussions and analysis report are part of the annual report.

13. Market Price Data:

The monthly high and low quotations at Muscat Securities Market during financial year 2023 are as follows:

Period	**Traded**		**Price (RO)**	
	Shares	**Value (RO)**	**High**	**Low**
January 2023	3,027,085	461,425	0.130	0.127
February 2023	3,370,411	414,787	0.127	0.120
March 2023	1,260,570	170,537	0.135	0.135
April 2023	2,825,659	446,031	0.166	0.165
May 2023	3,967,544	670,080	0.178	0.175
June 2023	1,351,423	231,535	0.173	0.170
July 2023	5,393,111	973,600	0.169	0.168
August 2023	2,403,716	381,402	0.157	0.156
September 2023	6,853,879	839,202	0.119	0.117
October 2023	6,027,454	750,374	0.126	0.123
November 2023	1,167,181	159,740	0.138	0.137
December 2023	1,343,990	170,769	0.125	0.122



14. Distribution of shareholding:

The following are the major shareholders who own more than 5% of the outstanding shares as at 31 December 2023:

S. No	Name of shareholders	Shareholding %
1.	Abu Dhabi Fund for Development	15.00
2.	Islamic Development Bank	11.71
3.	Dolphin International	10.33
4.	Schwenk Cement Nederland B.V.	10.00
5.	Oman Investment Authority	7.32
6.	Sindbad International Trading Company LLC	5.94
Total		60.30

The shareholding distribution of equity shares as on 31 December 2023 is given below:

No. of equity shares	No. of shareholders	No. of shares	Shareholding %
Less than 100,000	1467	14,201,660	7%
100,001 to 500,000	6	32,291,093	16%
500,001 to 1,000,000	53	11,200,991	6%
1,000,001 to 10,000,000	11	7,447,989	4%
10,000,001 and above	7	134,858,267	67%
TOTAL	**1,544**	**200,000,000**	**100%**

15. Professional Profile of Statutory Auditor:

The shareholders of the Company appointed Grant Thornton - Abu Timam as its auditors for 2023.

About Grant Thornton - Abu Timam

Grant Thornton is a network of independent assurance, tax and advisory firms, made up of over 50,000 people in more than 130 countries, helping dynamic organizations unlock their potential for growth. It is one of the top six international accounting and business advisory networks and all its member firms are required to uphold the highest professional and ethical standards. Compliance with these standards is monitored and assured through a very strict quality assurance process.

Abu Timam, the Oman member firm of Grant Thornton International, is headquartered in Muscat with a branch in Salalah. The Muscat office was established in 1995 and is one of the leading firms in Oman, evidenced by the portfolio of clients that includes well-established companies across a broad spectrum of industries. The professional staff bring a strong background of experience and expertise to their clients' accounting, tax, and management consulting needs. This rare combination of skilled resources and personal commitment explains why Abu Timam Grant Thornton has grown rapidly to a position of prominence among major accounting firms in the Sultanate of Oman. Abu Timam Grant Thornton is approved by the Capital Market Authority as one of the audit firms allowed to audit joint stock companies.

Grant Thornton - Abu Timam billed an amount of RO 41,600 towards professional services rendered to the Company during the year 2023 (2022: RO 25,450 for audit).

Hamdan Ahmed Al Shaqsi

Chairman of the Board of Directors

ابو تمام جرانت ثورنتون
محاسبون قانونيون
بيت أيتن
الطابق الخامس و السادس، رقم المبنى ٣٢٨٣،
المرحلة الثانية
الخوير
ص ب ٥٧
الرمز البريدي ١١٨
سلطنة عمان
E-mail: info@om.gt.com
www.grantthornton.om
رقم البطاقة الضريبية : ١٣٣٩٨١٣٨

Abu Timam Grant Thornton
Chartered Certified Accountants
Bait Eteen
5th and 6th Floors, Building No. 3283,
Block Phase 2
Al Khuwair
P.O. Box 57
Postal Code 118
Sultanate of Oman
E-mail: info@om.gt.com
www.grantthornton.om
Tax Card No. : 13398138

Independent Auditor's Report

To the Shareholders of
Raysut Cement Company SAOG
P.O. Box 1020
Postal Code 211
Sultanate of Oman

Report on the Audit of the Separate and Consolidated Financial Statements

Qualified Opinion

We have audited the separate and consolidated financial statements of Raysut Cement Company SAOG (the "Parent Company") and its Subsidiaries (together referred as the "Group"), which comprise the separate and consolidated statement of financial position as at 31 December 2023, and the separate and consolidated statement of profit or loss and other comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2023, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- As mentioned in Note 9 to the separate and consolidated financial statements, the Group has exploration and evaluation assets with a carrying value of RO 593,427. The management has not carried out a comprehensive impairment assessment of these assets as required under IFRS 6 *Exploration for and Evaluation of Mineral Resources* as at 31 December 2023. Hence, we were unable to ascertain whether any impairment loss needs to be accounted for the year ended 31 December 2023.

- As mentioned in Note 24, the Parent Company and its subsidiaries namely, Pioneer Cement Industries, and Duqm Cement Factory LLC have breached certain debt covenants as at 31 December 2023. Accordingly, the entire portion of the related borrowings should have been classified under current liabilities. However, the management has classified an amount of RO 6,482,570 and RO 12,919,201 under non-current liabilities for the Parent Company and Group, respectively, which is not in accordance with the requirements of IAS 1 *Presentation of Financial Statements*.

Independent Auditor's Report (continued)

Basis for Qualified Opinion (continued)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to the going concern assumption section in Note 3 to the separate and consolidated financial statements, which states that the Group incurred a net loss of RO 5,079,253 during the year ended 31 December 2023 and, as of that date, its current liabilities exceeded its current assets by RO 38,822,394. These conditions along with other matters as set forth in Note 3, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Inventory valuation</td><td></td></tr>
<tr><td>Inventories include raw materials comprising of limestone, clay, gypsum, laterite and bauxite. Work-in-progress mainly comprises of clinker. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates.

Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.

Refer to accounting policies and Note 14 to the separate and consolidated financial statements.</td><td>Our audit procedures included the following:
• Assessed the management's process of measurement of stock and the determination of values using conversion of volumes and density to total weight and the related yield;
• Attended the physical count of the inventories and observed the said parameters. A representative of the Group and an external surveyor were also present;
• Checked the independence, background and experience of the surveyor to ensure his competence and capability; and
• Obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on a sample basis.</td></tr>
<tr><td>Impairment of goodwill</td><td></td></tr>
<tr><td>At 31 December 2023, the carrying value of goodwill amounted to RO 3,335,872. In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination for impairment annually.

An impairment is recognized in the separate and consolidated statement of profit or loss and other comprehensive income when the recoverable amount is less than the carrying amount. The determination of the recoverable amount is based on discounted future cash flows and benchmarking the values with market multiples.

In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.

Refer to note 8 to the separate and consolidated financial statements.</td><td>Our audit procedures included the following:
• Obtained an understanding of the process for the impairment assessment, identified the relevant internal controls over the impairment assessment process and tested their design and implementation;
• Checked the independence, background and experience of the third-party valuers to ensure their competence and capability;
• Evaluated whether the cashflows, assumptions and methodology in the models used to calculate recoverable value are in accordance with IAS 36 Impairment of Assets;
• Obtained and analysed the approved business plans for each Cash Generating Unit to assess accuracy of the computations and the overall reasonableness of key assumptions;
• Compared actual historical cash flow results with previous forecasts to assess forecasting accuracy;
• Assessed the methodology used by the Group to estimate the Weighted Average Cost of Capital (WACC) and benchmarked that with discount rates used by other similar business and other external sector related guidelines;
• Benchmarked the values with market multiples, where applicable; and
• Assessed the disclosure in the consolidated financial statements relating to goodwill in accordance with the requirements of IFRSs.</td></tr>
</table>

Independent Auditor's Report (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables	
The Group is required to regularly assess the recoverability of trade receivables. The Group has applied expected credit losses model (ECL) for measuring the credit impairment of the trade receivables which allows for lifetime expected credit losses to be recognised from the initial recognition of trade receivables. The Group determines the expected credit losses on the trade receivables based on historical credit loss experience, adjusted for forward looking factors specific to the parties and the economic environment. Due to the significance of trade receivables and the involvement of estimation and uncertainty in the ECL calculation, this has been considered as a key audit matter. Refer to accounting policies and note 15 to the separate and consolidated financial statements.	Our audit procedures included the following: • Obtained an understanding of the Group's process for measurement of ECL; • Evaluated the reasonableness of the key judgments and estimates relating to calculation of probability of default and forward-looking factors made in the ECL model and checked the mathematical accuracy of the calculations; • Analysed the aging of receivables and verified its accuracy; and • Obtained the list of outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Report, Management Discussion and Analysis Report and Corporate Governance Report but does not include the separate and consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of auditor's report, we conclude that there is a material misstatement in this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, with the relevant disclosure requirements of the Capital Market Authority and with the applicable provisions of the Commercial Companies Law, 2019 of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Abu Timam
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Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements (continued)

In preparing the separate and consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the separate and consolidated financial statements for the year ended 31 December 2023 comply, in all material respects, with relevant disclosure requirements of the Capital Market Authority and the Commercial Companies Law, 2019 of the Sultanate of Oman.

We further report that the Parent Company has lost more than 50% of its share capital as at the reporting date. This has resulted in the application of Article 147 of Commercial Companies Law, 2019 of the Sultanate of Oman, which requires the Board of Directors to convene an extra ordinary general meeting, within 30 days from the date when the aforementioned loss is ascertained by the Board of Directors, for adopting necessary resolutions for remedying the causes which led to such losses and restore the Parent Company to the status of profitability.

Nasser Al Mugheiry
Licence No. L2054901
ABU TIMAM
(Chartered Certified Accountants)

ابو تمام محاسبون قانونيون
س.ت رقم ١٠٩٨٩٧٧
Abu Timam
Grant Thornton
C.R. No. 1098977
Abu Timam - Chartered Certified Accountants

29 February 2024

Separate and consolidated statment of financial position as at 31 December 2023

	Note	Parent 31-Dec-2023 RO	Parent 31-Dec-2022 RO	Consolidated 31-Dec-2023 RO	Consolidated 31-Dec-2022 RO (Restated)
ASSETS					
Non-current assets					
Goodwill	8	**-**	-	**3,335,872**	3,335,872
Property, plant and equipment	9	**59,494,078**	63,270,788	**103,263,314**	107,356,816
Right-of-use assets	10	**2,324,213**	2,548,615	**6,067,534**	5,819,464
Investment in subsidiaries	12	**30,025,940**	30,025,940	**-**	-
Deferred tax asset	26	**-**	-	**242,722**	227,483
Total non-current assets		**91,844,231**	95,845,343	**112,909,442**	116,739,635
Current assets					
Inventories	14	**13,555,010**	9,651,672	**20,716,057**	14,484,478
Trade receivables	15	**2,436,285**	2,521,551	**6,285,166**	5,617,803
Financial assets at fair value through profit or loss	16	**3,185,737**	3,417,111	**3,185,737**	3,417,111
Prepayments, advances and other receivables	17	**1,862,133**	1,385,922	**1,987,832**	1,738,567
Cash and bank balances	18	**411,727**	137,514	**1,687,943**	1,291,010
Total current assets		**21,450,892**	17,113,770	**33,862,735**	26,548,969
Total assets		**113,295,123**	112,959,113	**146,772,177**	143,288,604
EQUITY AND LIABILITIES					
Equity					
Share capital	19	**20,000,000**	20,000,000	**20,000,000**	20,000,000
Share premium	20	**13,456,873**	13,456,873	**13,456,873**	13,456,873
Legal reserve	21	**6,666,667**	6,666,667	**6,666,667**	6,666,667
Asset replacement reserve	22	**3,647,566**	3,647,566	**3,647,566**	3,647,566
Voluntary reserve	23	**6,352,434**	6,352,434	**6,352,434**	6,352,434
Accumulated losses		**(46,710,309)**	(43,987,082)	**(39,024,175)**	(33,849,583)
Equity attributable to owners of the Parent Company		**3,413,231**	6,136,458	**11,099,365**	16,273,957
Non-controlling interest		**-**	-	**439,961**	344,622
Total equity		**3,413,231**	6,136,458	**11,539,326**	16,618,579
LIABILITIES					
Non-current liabilities					
Borrowings	24	**29,289,525**	27,901,887	**40,310,251**	35,474,898
Lease liabilities	25	**2,429,927**	2,613,564	**6,433,947**	5,991,496
Other liabilities	28.1	**12,996,768**	12,996,768	**12,996,768**	12,996,768
Deferred tax liability	26	**1,513,000**	1,513,000	**1,513,000**	1,513,000
End of service benefits	27	**710,303**	532,595	**1,293,756**	1,112,867
Total non-current liabilities		**46,939,523**	45,557,814	**62,547,722**	57,089,029
Current liabilities					
Borrowings	24	**4,071,543**	6,773,452	**5,965,016**	11,135,479
Lease liabilities	25	**162,727**	134,106	**403,556**	447,464
Trade and other payables	28	**40,241,187**	35,804,753	**45,245,230**	33,788,229
Other liabilities	28.1	**12,322,158**	12,322,158	**12,322,158**	12,322,158
Short term borrowings	29	**6,144,754**	6,230,372	**8,596,110**	11,781,223
Income tax payable	26	**-**	-	**153,059**	106,443
Total current liabilities		**62,942,369**	61,264,841	**72,685,129**	69,580,996
Total liabilities		**109,881,892**	106,822,655	**135,232,851**	126,670,025
Total equity and liabilities		**113,295,123**	112,959,113	**146,772,177**	143,288,604
Net assets per share	38	**0.017**	0.031	**0.055**	0.081

These separate and consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 February 2024 and signed on its behalf by:

Hamdan Ahmed Al Shaqsi **Chairman**	**Tarek Talaat** **Chief Executive Officer**	**Salman Haider Malik** **Acting Chief Financial Officer**

The notes 1 to 48 form an integral part of these separate and consolidated financial statements.

Separate and consolidated statment of comprehensive income for the year ended 31 December 2023

	Note	Parent 31-Dec-2023 RO	Parent 31-Dec-2022 RO	Consolidated 31-Dec-2023 RO	Consolidated 31-Dec-2022 RO (Restated)
Revenue	30	**37,466,578**	45,363,346	**65,542,919**	69,079,337
Cost of sales	31	**(27,562,820)**	(40,905,059)	**(53,528,718)**	(67,263,776)
Gross profit		**9,903,758**	4,458,287	**12,014,201**	1,815,561
General and administrative expenses	32	**(6,166,470)**	(34,599,635)	**(8,280,604)**	(42,299,098)
Selling and distribution expenses	34	**(3,650,442)**	(9,672,316)	**(4,528,167)**	(11,837,242)
Other income	35	**1,892,204**	186,817	**2,247,197**	10,467,821
Operating profit/(loss)		**1,979,050**	(39,626,847)	**1,452,627**	(41,852,958)
Finance cost - net	36	**(4,462,985)**	(2,385,593)	**(6,262,024)**	(4,026,280)
Investment income	37	**96,014**	44,405	**96,014**	44,405
Impairment of financial assets at FVOCI	13	**-**	(125,000)	**-**	(125,000)
Impairment loss on investment in subsidiary	12	**-**	(52,522,928)	-	-
Impairment loss on investment in Goodwill	8	**-**	-	**-**	(45,798,586)
Impairment loss on carrying value of assets	9	-	-	**-**	(6,724,342)
Fair value (loss)/gain on financial assets at FVTPL	16	**(231,374)**	854,495	**(231,374)**	854,495
Loss before tax		**(2,619,295)**	(93,761,468)	**(4,944,757)**	(97,628,266)
Income tax expense	26	**(103,932)**	-	**(134,496)**	(6,458)
Loss for the year		**(2,723,227)**	(93,761,468)	**(5,079,253)**	(97,634,724)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive loss for the year		**(2,723,227)**	(93,761,468)	**(5,079,253)**	(97,634,724)
Attributable to:					
Total (loss) / profit attributable to:					
Owners of the Parent Company		**(2,723,227)**	(93,761,468)	**(5,174,592)**	(97,641,783)
Non-controlling interest		**-**	-	**95,339**	7,059
		(2,723,227)	(93,761,468)	**(5,079,253)**	(97,634,724)
Basic and diluted loss per share	39	**(0.014)**	(0.469)	**(0.026)**	(0.488)

The notes 1 to 48 form an integral part of these separate and consolidated financial statements.

Separate and consolidated statment of changes in equity for the year ended 31 December 2023

Parent	Share capital RO	Share premium RO	Legal reserve RO	Asset replacement reserve RO	Voluntary reserve RO	Accumulated losses RO	Total RO
At 1 January 2022	20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	49,774,386	99,897,926
Loss and total comprehensive loss for the year	-	-	-	-	-	(93,761,468)	(93,761,468)
At 31 December 2022	20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	(43,987,082)	6,136,458
At 1 January 2023	**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**(43,987,082)**	**6,136,458**
Loss and total comprehensive loss for the year	-	-	-	-	-	**(2,723,227)**	**(2,723,227)**
At 31 December 2023	**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**(46,710,309)**	**3,413,231**

The notes 1 to 48 form an integral part of these separate and consolidated financial statements.

Separate and consolidated statment of changes in equity (continued) for the year ended 31 December 2023

Consolidated	Share capital RO	Share premium RO	Legal reserve RO	Asset replacement reserve RO	Voluntary reserve RO	Accumulated losses RO (Restated)	Total RO (Restated)	Non-controlling interest RO	Total RO (Restated)
At 1 January 2022	20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	63,792,200	113,915,740	337,563	114,253,303
Loss for the year	-	-	-	-	-	(97,641,783)	(97,641,783)	7,059	(97,634,724)
Total comprehensive loss for the year	-	-	-	-	-	(97,641,783)	(97,641,783)	7,059	(97,634,724)
At 31 December 2022	20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	(33,849,583)	16,273,957	344,622	16,618,579
At 1 January 2023	**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**(33,849,583)**	**16,273,957**	**344,622**	**16,618,579**
Loss for the year	-	-	-	-	-	**(5,174,592)**	**(5,174,592)**	**95,339**	**(5,079,253)**
Total comprehensive loss for the year	-	-	-	-	-	**(5,174,592)**	**(5,174,592)**	**95,339**	**(5,079,253)**
At 31 December 2023	**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**(39,024,175)**	**11,099,365**	**439,961**	**11,539,326**

The notes 1 to 48 form an integral part of these separate and consolidated financial statements.

Separate and consolidated statment of cash flows
for the year ended 31 December 2023

	Note	Parent		Consolidated	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
		RO	RO	**RO**	RO (Restated)
Cash flows from operating activities					
Loss before taxation		**(2,619,295)**	(93,761,468)	**(4,944,757)**	(97,628,266)
Adjustments for:					
Depreciation of property, plant and equipment	9	**4,194,590**	4,083,616	**6,430,314**	6,301,788
Depreciation of right-of-use assets	10	**224,402**	224,404	**441,280**	404,543
Allowance for expected credit losses	32 & 35	**1,687,248**	27,447,934	**1,957,131**	25,031,180
Reversal of legal provisions	35	**(1,885,743)**	-	**(1,885,743)**	-
Impairment of financial assets at fair value through other comprehensive income	13	**-**	125,000	**-**	125,000
Impairment loss on investment in subsidiary		**-**	52,522,928	**-**	45,798,586
Impairment loss on carrying value of assets	9	**-**	-	**-**	6,724,342
Provision for impairment loss against CWIP	9	**-**	-	**-**	7,638,858
Allowance for slow-moving inventories	14.2	**120,000**	120,000	**398,330**	186,114
End of service benefits charge for the year	27	**203,631**	55,362	**282,300**	138,878
Interest expense	36	**4,340,338**	2,198,394	**5,824,507**	3,363,581
Interest expense on lease liabilities	36	**180,362**	202,062	**493,304**	495,443
Investment income	37	**(96,014)**	(44,405)	**(96,014)**	(44,405)
Decrease / (increase) in fair value of financial assets at fair value through profit or loss	16	**231,374**	(854,495)	**231,374**	(854,495)
Operating cash flows before working capital changes		**6,580,893**	(7,680,668)	**9,132,027**	(2,318,852)
Changes in:					
Trade receivables		**85,266**	(11,691,057)	**(667,363)**	(8,739,940)
Prepayments and other receivables		**(476,211)**	7,084,029	**(249,265)**	(3,098,175)
Inventories		**(2,137,595)**	6,800,749	**(4,744,169)**	15,533,008
Trade and other payables		**1,644,850**	23,448,719	**8,601,588**	14,708,974
Cash generated from operations		**5,697,203**	17,961,772	**12,072,818**	16,085,015
End of service benefits paid	27	**(25,923)**	(45,870)	**(101,410)**	(90,530)
Income tax paid		**(103,932)**	-	**(103,119)**	-
Net cash generated from operating activities		**5,567,348**	17,915,902	**11,868,288**	15,994,485
Cash flows from investing activities					
Dividend income	37	**96,014**	44,405	**96,014**	44,405
Additions to right-of-use assets		**-**	-	**(689,350)**	-
Additions to property, plant and equipment	9	**(417,880)**	(8,576,749)	**(2,336,812)**	(6,067,106)
Net cash used in investing activities		**(321,866)**	(8,532,344)	**(2,930,148)**	(6,022,701)
Cash flows from financing activities					
Term loans (net of repayment)		**(1,314,269)**	1,424,942	**(335,110)**	2,781,897
(Repayment) / addition of principal portion of lease liabilities		**(155,016)**	(134,987)	**398,543**	(199,171)
Repayment of interest on lease liabilities		**(180,362)**	(202,062)	**(493,304)**	(495,444)
Movement in short term loans - net		**880,190**	(6,122,036)	**(2,167,396)**	(5,370,700)
Interest and finance costs paid		**(3,236,003)**	(2,198,394)	**(4,926,224)**	(3,361,689)
Net cash used in financing activities		**(4,005,461)**	(7,232,537)	**(7,523,491)**	(6,645,107)
Net changes in cash and cash equivalents during the year		**1,240,021**	2,151,021	**1,414,649**	3,326,677
Cash and cash equivalents at the beginning of the year		**(1,685,007)**	(3,836,028)	**(583,420)**	(3,910,097)
Cash and cash equivalents at the end of the year	42	**(444,986)**	(1,685,007)	**831,230**	(583,420)

The notes 1 to 48 form an integral part of these separate and consolidated financial statements.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

1. Legal status and principal activities

Raysut Cement Company SAOG (the "Parent Company" or the "Parent" or the "Company") was formed in 1981 by Ministerial Decision No. 7/81 and is registered in the Sultanate of Oman as a public joint stock company. The Company and its subsidiaries (see below) are together referred to as the “Group”.

The principal activities of the Parent Company are the production and sale of ordinary portland cement, sulphur resistant cement, oil well class 'G' cement and pozzolana well cement. The registered office of the parent company is at Salalah, P.O. Box 1020, Postal Code 211, Sultanate of Oman.

The principal activities of the subsidiaries and associates are set out below:

Subsidiary companies	Country of incorporation	Shareholding percentage %		Principal activities
		31-Dec-2023	31-Dec-2022	
Duqm Cement Factory LLC	Sultanate of Oman	100	100	Production and sale of cement
Pioneer Cement Industries (‘Pioneer’)	United Arab Emirates	100	100	Production and sale of cement
Pioneer Cement Industries Georgia Limited*	Georgia	100	100	Limestone quarry
Raysut Burwaqo Cement Company LLC (‘RBCC’)***	Sultanate of Oman	51	51	Wholesale of cement and plastic
Raysut Cement Company S.A.O.G. (Branch)**	United Arab Emirates	100	100	Limestone quarry
Raysut Cement Trading Madagascar***	Madagascar	100	100	Trading activity
Raysut Maldives Cement Private Limited	Republic of Maldives	75	75	Trading activity
Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC)	Sultanate of Oman	100	100	Production and sale of cement

Associate companies	Country of incorporation	Shareholding percentage %		Principal activities
		31-Dec-2023	31-Dec-2022	
Mukalla Raysut Trading and Industrial Company (‘MRTIC’)	Republic of Yemen	49	49	Importing, exporting, packing and marketing of cement products.

These financial statements represent the results of operations of the Parent Company on a standalone basis and consolidated with its subsidiaries (the “Group”).

*Pioneer Cement Industries Georgia Limited is a subsidiary of Pioneer Cement Industries.Company is inoperative and all expenses are normal course of business.

**The Branch is held by the Pioneer Cement Industries for the beneficial interest of the Parent Company. Accordingly, the results of operations and financial position of the Branch have been consolidated in these separate and consolidated financial statements. The Company is inoperative and only few administrative expenses are incurred during the year.

***Raysut Burwaqo Cement Company LLC (‘RBCC’) and Raysut Cement Trading Madagascar are in-active and non-operative company.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

2. Adoption of new and amended International Financial Reporting Standards (IFRSs)

New standards, amendments and Interpretations to existing IFRS effective 1 January 2023

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted, do not have a significant impact on the Group's financial results or position.

- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16).
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020

These amendments do not have a significant impact on the Group's financial results or position.

Standards, amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Group

During the year, International Sustainability Standards Board (ISSB) has published IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, effective for annual period beginning on or after 1 January 2024 with earlier application permitted. Capital Market Authority of Oman has announced the application of above standards as voluntary for all listed companies for the year 2023. Accordingly, the Group has opted to adopt the above standards from the year 2024.

At the date of authorisation of these separate and consolidated financial statements, several other new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into considerations by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's separate and consolidated financial statements.

3. Material accounting policies

These separate and consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of assets, liability, income and expenses. The measurement bases are more fully described in the accounting policies below. The significant accounting policies set out below have been applied consistently by the Group to all years presented in these separate and consolidated financials statements.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. **Material accounting policies (continued)**

Statement of compliance

These separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, the disclosure requirements of the Capital Market Authority and the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, 2019.

Going concern assumption

During the year, the Group has reported a loss of RO 5,079,253 (2022: RO 97,634,724) and as at that date, the current liabilities exceeded current assets by RO 38,822,394 (2022: RO 43,032,027). The Group is working under the guidance of the Board of Directors to improve its operations and believe it is appropriate to prepare the separate and consolidated financial statements on going concern basis based on the following reasons:

- The Group's net equity is positive in the amount of RO 11,539,326 as at 31 December 2023;
- Group's net cash flows from operating activities are positive in the amount of RO 11,868,288 during the year ended 31 December 2023;
- There has been no default in payments of loan instalments during the year;
- Management is under discussion with its bankers to restructure its repayment terms of borrowings in line with the approved projected cash flows.
- The Board of Directors are further evaluating options of raising additional capital; and
- Various cost control measures have been implemented by the Board of Directors to improve the profitability of the Group.

As described above, the directors have a reasonable expectation that the Group will be able to arrange adequate resources or defer its financing outflows to continue in operational existence without a significant curtailment of its current level of activities for the foreseeable future. If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the separate and consolidated financial statements.

Functional and presentation currency

These separate and consolidated financial statements have been presented in Rial Omani which is the Parent Company's functional and presentation currency.

Basis of preparation

These separate and consolidated financial statements are prepared on the accrual basis and under the historical cost convention.

These separate and consolidated financial statements are prepared on the historical cost basis, except for certain financial instruments measured at fair value, right-of-use assets and lease liabilities which are measured at present value of future lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these separate and consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Noted to the Separate and consolidated financial statement
for the year ended 31 December 2023

3. Material accounting policies (continued)

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Parent Company and all of its subsidiaries as at 31 December 2023. All subsidiaries have a reporting date of 31 December 2023.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Non-controlling interest

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separately from the Group's shareholders' equity. Changes in the Group's interest in a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit or loss and other comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated statement of comprehensive income as a bargain purchase gain.

3. Material accounting policies (continued)

Basis of consolidation (continued)

Business combinations

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in consolidated statement of comprehensive income.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of comprehensive income. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in consolidated statement of comprehensive income.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. Material accounting policies (continued)

Basis of consolidation (continued)

Goodwill (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in an associate

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these separate and consolidated financial statements using the equity method of accounting. Under the equity method, investment in associates are initially recognised in the separate and consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of associates exceeds the Group's interest in that associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinued recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

An investment in associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the separate and consolidated statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Leases

The Group discontinued the use of equity method from the date when the investment ceases to be an associate. When the Group retains its interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other separated and consolidated comprehensive income by that associate would be reclassified to separate and consolidated statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to separate and consolidated statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to separate and consolidated statement of profit or loss and comprehensive income (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continued to use the equity method, the Group reclassifies to separate and consolidated statement of profit or loss and other comprehensive income the proportion of the gain or loss that had previously been recognised in separate and consolidated statement of profit or loss and other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to separate and consolidated statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities.

When a Group's entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's financial statements only to the extent of interests in the associates that are not related to the Group.

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the separate and consolidated statement of financial position.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Leases (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to separate and consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use assets reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the separate and consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss in accordance with IAS 36.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line concession fees in the separate and consolidated statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for land and capital work-in-progress which are carried at cost less impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is capitalized in the carrying amount of an item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the separate and consolidated statement of comprehensive income as incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in separate and consolidated statement of comprehensive income. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings and civil works	5 - 35
Plant and machinery	32
Ships	5 - 15
Motor vehicles	5
Furniture and fixtures	5
Office equipment	5
Vehicles, equipment and tools	3 - 5
Limestone mines	15 - 20

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Change in estimates

In accordance with its policy, the Group reviews the estimated useful lives of its property, plant and equipment on an ongoing basis. During 2019, this review indicated that the actual lives of certain plant and machinery and civil structures were longer than the estimated useful lives used for depreciation purposes in the separate and consolidated financial statements. As a result, effective 1 January 2019, the Group changed its estimates of the useful lives of its plant and machinery and civil structures to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of the plant and machinery and civil structures that previously assessed as 25 years and 30 years were increased to 32 years and 35 years respectively.

Capital work-in-progress

Capital work-in-progress represents structures and facilities under construction and is stated at cost. This includes the cost of construction, equipment and other direct costs. Capital work-in-progress is not depreciated until such time that the relevant assets are available for intended use.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment loss. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the separate and consolidated's statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised net of depreciation or amortization.

Intangible assets

Computer software costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the costs beyond one year are recognised as an intangible asset. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. Computer software costs recognised as an asset are amortised using the straight-line method over the estimated useful life of five years.

Intangible work-in-progress is not depreciated until it is transferred into intangible assets category, which occurs when the asset is available for intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Inventories

Inventories are stated at the lower of cost and net realizable value, where net realizable value is the estimated selling price less any estimated costs of completion and estimated selling expenses. Cost of raw materials includes purchase price, delivery costs and other direct expenses incurred in bringing the inventories to their present condition and location. The cost of finished goods includes an appropriate share of costs of production overheads based on normal operating capacity. Costs are assigned using the weighted average cost method.

3. Material accounting policies (continued)

Inventories (continued)

Raw materials cost represents price of the goods, and related direct expenses. Finished goods cost represent cost of raw materials, direct labour and other attributable overheads. Work-in-progress cost represents proportionate cost of raw materials, direct labour and other attributable overheads. Finished goods and work in progress are valued at standard cost i.e. at standard usage and standard overheads. Any significant variance if any in actuals then the same is dealt accordingly in inventory valuation.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Classification - Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) and Fair Value through Profit or Loss (FVTPL).

Business model assessment

The Group determines its business model at the level that best reflects how it manages Group of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument by instrument basis but at a higher level of aggregated portfolios and is based on a number of observable factors. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- The risks that affect the performance of the business model (and financial assets held within that business model) and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs as well as a profit margin. In assessing whether the Contractual cash flows are solely payments of principal and interest, Group considers whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The Group classifies its financial assets upon initial recognition into the following categories:

- Financial assets carried at amortised cost
- Financial assets carried at fair value through other comprehensive income (FVOCI)
- Financial assets carried at fair value through profit or loss (FVTPL)

Noted to the Separate and consolidated financial statement
for the year ended 31 December 2023

3. Material accounting policies (continued)

IFRS 9 Financial Instruments (continued)

A financial asset is carried at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the separate and consolidated statement of comprehensive income. Any gain or loss on derecognition is recognised in the separate and consolidated statement of comprehensive income.

Financial assets at amortized cost include bank deposits, trade receivables, cash at bank, amounts due from related parties, interest receivables and other financial assets.

Equity investments at FVOCI

Upon initial recognition, the Group makes an irrevocable election to classify some of its equity investments as equity investments at FVOCI if they are not held for trading and meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading such classification is determined on an instrument by instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognised in other comprehensive income and presented in the cumulative changes in fair values in equity. Cumulative gains and losses previously recognised in other comprehensive income are transferred to retained earnings on derecognition and are not recognised in the separate and consolidated statement of comprehensive income. Dividend income on equity investments at FVOCI are recognised in the separate and consolidated statement of comprehensive income unless they clearly represent a recovery of the cost of the investment in which case they are recognised in other comprehensive income.

Financial assets carried at FVTPL

The Group classifies the following financial assets at fair value through profit or loss:

- Equity instruments that are held for trading;
- Equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income; and
- Debt instruments with contractual cash flows not representing solely payment of principal and interest are mandatorily required to be measured at FVTPL.
- Other than above management may designate a financial asset at FVTPL upon initial recognition that otherwise meet the requirements to be measured at amortized cost or as FVOCI, this is only done if it eliminates or significantly reduces, an accounting mismatch that would otherwise arise.

Dividend income from equity investments measured at FVTPL is recognized in the separate and consolidated statement of comprehensive income when the right to the payment has been established.

Noted to the Separate and consolidated financial statement
for the year ended 31 December 2023

3. Material accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Impairment - Financial assets

IFRS 9 requires forward-looking ‘expected credit loss' (ECL) model. This require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability -weighted basis. The impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, trade receivables and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component. The estimated ECLs were calculated taking into account the following criteria:

- actual credit loss experience over the past 4 years;
- ageing of trade receivables; and
- discount factor applied for receivables where there are corresponding payables to the same party thus mitigating the Group's exposure.

Classification - Financial liabilities

Under IFRS 9 fair value changes of liabilities classified as at FVTPL are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- the remaining amount of change in the fair value is presented in separate and consolidated statement of comprehensive income.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Classification - Financial liabilities (continued)

The Group has not designated any financial liabilities at FVTPL and it has no current intention to do so.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in separate and consolidated statement of comprehensive income as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in separate and consolidated statement of comprehensive income.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using an effective interest method. Any difference between the proceeds (net of transaction costs) and redeemed borrowings is recognized over the term of borrowings in separate and consolidated statement of comprehensive income. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Trade and other payables

Payables with no stated interest rate are measured at the original invoice amount, in cases where the imputed interest is immaterial. However, in cases where the imputed interest rate factor is material, accounts payables are initially stated at fair value, subsequently measured at amortised cost through application of the discounted cash flows method at market interest rate available on short-term borrowings with comparable average periods of maturity.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Cash and cash equivalents

For the purposes of the statement of cash flows, all cash and bank balances, including short-term deposits with original maturity of three months or less are considered to be cash equivalents.

End of service benefits

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Oman Social Insurance Scheme, are recognized as an expense in the separate and consolidated statement of comprehensive income as incurred.

A provision is made for the Non - Omani employees' end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Labor Law of Sultanate of Oman based on employees' salary and accumulated period of service as at the reporting date.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. **Material accounting policies (continued)**

Dividends
The Board of Directors recommends to the Shareholders the dividend to be paid out of the Parent Company's retained earnings. The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law of the Sultanate of Oman and other relevant directives issued by Capital Market Authority while recommending the dividend. Dividends are recognised as a liability when declared and approved by the shareholders.

Borrowing costs
Borrowing costs are generally expensed as incurred. Interest and other costs incurred during the construction period on borrowings used to finance the purchase and development of qualifying property, plant and equipment are capitalized as part of the costs. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are completed. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Revenue recognition
The Group follows five step process:

1 Identifying the contract with a customer
2 Identifying performance obligation
3 Determining the transaction price
4 Allocating the transaction price to the performance obligation
5 Recognising revenue when/as performance obligations are satisfied

The Group manufactures and sells a range of cement products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and net of returns, trade discounts, volume rebates and taxes or duty.

Dividend income is recognized when the right to receive payment is established.

Rental income is recognised on a straight line basis over the period of the lease.

Interest income and expense
Interest income and expense are accounted for on the accrual basis using an effective interest method.

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Foreign currency transactions (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in statement of profit or loss and other comprehensive income.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective); and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to separate and consolidated statement of comprehensive income as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the separate and consolidated statement of comprehensive income.

Group companies

The accounting records of subsidiary companies, Pioneer Cement Industries is maintained in UAE Dirhams (AED) whereas the records of Raysut Maldives Cement Pvt Ltd and Raysut Madagascar are maintained in USD. The Rial Omani amounts included in the separate and consolidated financial statements have been translated at an exchange rate of 0.1052 (2022: 0.1052) Omani Rial to each AED, exchange rate of 0.3852 Omani Riyal to each US Dollar for the statement of comprehensive income and the statement of financial position items, as the AED/US Dollar to Omani Riyal exchange rate has effectively remained fixed during the year, as these currencies are pegged to the US Dollar.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. Material accounting policies (continued)

Discontinued operations (continued)

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative separate and consolidated statement of statement of comprehensive income and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in separate and consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Earnings and net assets per share

The Group presents basic and diluted earnings per share (“EPS”) and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the comprehensive income attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period, whereas diluted EPS also includes dilutive potential ordinary shares (such as options and convertible instruments) if they meet certain criteria.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

3. **Material accounting policies (continued)**

Directors' remuneration

Directors' remuneration has been computed in accordance with the Commercial Companies Law of the Sultanate of Oman 2019 and as per the requirements of Capital Market Authority.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segment operating results are reviewed regularly by Chief Operating Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. **Business combinations**

On 30 December 2010, the Group acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer') with total consideration of net RO 66.5 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Pioneer Cement Industries is treated as the "acquiree".

	RO
Purchase consideration paid on acquisition	**66,532,035**
Less: net identifiable assets acquired in a Business Combination	**(20,733,449)**
Less: goodwill impaired	**(45,798,586)**
Goodwill	**-**

On 12 August 2020, the Group acquired 75% ordinary shares of Raysut Maldives Cement Private Ltd ('Raysut Maldives') with total consideration of net RO 3.2 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Raysut Maldives is treated as the "acquiree".

	RO
Purchase consideration paid on acquisition	**3,240,265**
Less: net identifiable assets acquired in a Business Combination	**(722,875)**
Goodwill	**2,517,390**

Further, on 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) ('Sohar Cement') with total consideration of net RO 12.5 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Sohar Cement is treated as the "acquiree".

	RO
Purchase consideration paid on acquisition	**12,524,566**
Less: net identifiable assets acquired in a Business Combination	**(11,706,084)**
Goodwill	**818,482**

There were no acquisitions in the year ended 31 December 2023.

5. **Critical accounting estimates and judgments**

The preparation of these separate and consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the resultant provisions and changes in fair value for the year.

5. Critical accounting estimates and judgments (continued)

Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated assets and liabilities.

The Group makes estimates and assumptions concerning the future. Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of any changes in estimates is done prospectively. The information about assumptions and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives of property, plant and equipment

Depreciation is calculated so as to allocate the cost of assets less residual value over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Allowance for slow moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For significant amounts this estimation is performed on a case to case basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and an allowance applied according to the inventory type and the degree of ageing or obsolescence, based on historical movements.

Calculation of expected credit losses (ECL)

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Allowance for impairment of financial assets

Loss allowances for financial assets are based on assumptions about probability and risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Goodwill and investment in subsidiaries and associated companies

Management follows the guidance of IAS 36 to determine when an investment in a subsidiary and associate is impaired. This determination requires significant judgement and in making this judgement, the management evaluates, among other factors, the carrying amount of the entity's net assets and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The Board of Directors test annually whether goodwill and investment in subsidiaries and associates have suffered any impairment in accordance with IAS 36, 'Impairment of Assets' which require the use of estimates.

5. **Critical accounting estimates and judgments (continued)**
   Impairment of limestone mines

Limestone mines, which are included in property, plant and equipment, are tested for impairment when there is an indication of impairment. Testing for impairment of these mines requires management to estimate the limestone capacity of these mines and its recoverable amounts. Accordingly, provision for impairment is made where the net present value and / or recoverable amount is less than carrying value based on best estimates by the management.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Discounting of lease payments
The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

6. **Financial risk management**

Financial risk factors
The Group's activities expose it to a variety of financial risks including effects of changes in: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the Board of Directors.

Market risk

Foreign exchange risk
Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign currency risk arising from currency exposures with respect to US Dollar and UAE Dirham. In respect of the Group's transactions denominated in US Dollar and UAE Dirham, the Group is not exposed to currency risk as the Rial Omani and UAE Dirham are pegged to the US Dollar.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

6. Financial risk management (continued)

Financial risk factors (continued)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market. The Group is exposed to price risk arising from exposure to volatility in the Muscat Stock Exchange (MSX) on the investments in listed equity securities included as either fair value through profit or loss or other comprehensive income. The table below summarises the impact of increases/ decreases of the indices on the Group's profits and on other components of equity. The analysis is made on the assumption that the equity indices will increase/decrease by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the respective indices:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Financial assets at FVTPL	**318,574**	341,711	**318,574**	341,711
	======	======	======	======

Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group is exposed to fair value interest rate risk on its long term loan from the commercial banks as these carry fixed interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. During 2023 and 2022, the Group's borrowings were denominated in Rial Omani currency. In 2016, the Parent Company converted an Omani Rial loan to a US dollar loan. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favourable to the Group.

The carrying values of the loans are not considered to be materially different from their fair values since the loans are at the market interest rates.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents, deposits with banks as well as credit exposures to customers including outstanding amounts from related parties and committed transactions.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

6. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Details of the Parent Company's concentration of credit risk is disclosed in note 15. This represents amount receivable from corporate customers from whom there is no past history of default and the Group enjoys a long standing relationship.

The carrying amount of financial assets represents the credit exposure. The exposure to credit risk at the end of the reporting period was on account of:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Trade receivables	**2,436,285**	2,521,551	**6,285,166**	5,617,803
Other receivables	**1,440,888**	699,546	**589,387**	672,682
Cash at bank	**402,844**	133,386	**1,653,444**	1,254,941
	4,280,017	3,354,483	**8,527,997**	7,545,426

Many customers have provided bank guarantees to the Parent Company, subsidiaries and associates. The potential risk in respect of amounts receivable is limited to their carrying values as management regularly reviews these balances whose recoverability is in doubt.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

6. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due and also incorporates forward looking information. The age of trade receivables and related ECL at the end of the reporting period is:

	Gross		Allowance for expected credit losses	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Parent				
Not due - up to 180 days	**3,112,151**	3,447,402	**-**	-
Past due 181 to 365 days	**1,186,267**	460,071	**-**	-
More than 1 year	**50,007,764**	48,320,515	**50,007,764**	48,320,515
	54,306,182	52,227,988	**50,007,764**	48,320,515
Consolidated				
Not due - up to 180 days	**5,120,630**	4,924,385	**-**	-
Past due 181 to 365 days	**3,152,368**	2,431,985	**-**	-
More than 1 year	**46,553,877**	44,597,031	**46,553,877**	44,597,031
	54,826,875	51,953,401	**46,553,877**	44,597,031

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group has access to credit facilities.

	31-Dec-23			31-Dec-22		
	Carrying amount	**Less than one year**	**More than one year**	Carrying amount	Less than one year	More than one year
	RO	**RO**	**RO**	RO	RO	RO
Parent						
Trade and other payables	**40,241,187**	**40,241,187**	**-**	35,804,753	35,804,753	-
Short term borrowing	**6,144,754**	**6,144,754**	**-**	6,230,372	6,230,372	-
Other liabilities	**25,318,926**	**12,322,158**	**12,996,768**	25,318,926	12,322,158	12,996,768
Lease liabilities	**2,592,654**	**162,727**	**2,429,927**	2,747,670	134,106	2,613,564
Long term loans	**33,361,068**	**4,071,543**	**29,289,525**	34,675,339	6,773,452	27,901,887
	107,658,589	**62,942,369**	**44,716,220**	104,777,060	61,264,841	43,512,219

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

6. Financial risk management (continued)

Financial risk factors (continued)

Liquidity risk (continued)

	31-Dec-23			31-Dec-22		
	Carrying amount RO	**Less than one year RO**	**More than one year RO**	Carrying amount RO	Less than one year RO (Restated)	More than one year RO
Consolidated						
Trade and other payables	**45,245,230**	**45,245,230**	**-**	33,788,229	33,788,229	-
Short term borrowing	**8,596,110**	**8,596,110**	**-**	11,781,223	11,781,223	-
Other liabilities	**25,318,926**	**12,996,768**	**12,322,158**	25,318,926	12,322,158	12,996,768
Lease liabilities	**6,837,503**	**403,556**	**6,433,947**	6,438,960	447,464	5,991,496
Long term loans	**46,275,267**	**5,965,016**	**40,310,251**	46,610,377	11,135,479	35,474,898
	132,273,036	**73,206,680**	**59,066,356**	123,937,715	69,474,553	54,463,162

7. Capital risk management

Equity of the Parent Company and Group comprises share capital, share premium, legal reserves, special reserves and retained earnings. Management's policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the separate and consolidated statement of financial position plus net debt.

The gearing ratios as of reporting date were as follows:

	Parent		Consolidated	
	31-Dec-2023 RO	31-Dec-2022 RO	**31-Dec-2023 RO**	31-Dec-2022 RO (Restated)
Borrowings	**33,361,068**	34,675,339	**46,275,267**	46,610,377
Lease liabilities	**2,592,654**	2,747,670	**6,837,503**	6,438,960
Short term borrowings	**6,144,754**	6,230,372	**8,596,110**	11,781,223
Total borrowings	**42,098,476**	43,653,381	**61,708,880**	64,830,560
Less: cash and bank balances [note 18]	**(411,727)**	(137,514)	**(1,687,943)**	(1,291,010)
Net debt	**41,686,749**	43,515,867	**60,020,937**	63,539,550
Equity	**3,413,231**	6,136,458	**11,539,326**	16,618,579
Total capital	**45,099,980**	49,652,325	**71,560,263**	80,158,129
Gearing ratio	**92.43%**	87.64%	**83.87%**	79.27%

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

8. Goodwill

Goodwill was recognized as a result of acquisition of Pioneer Cement Industries (Pioneer Cement), Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) (Sohar Cement) and Raysut Maldives Cement Private Limited (Raysut Maldives). Goodwill represents the excess of the cost of acquiring shares in these subsidiary companies over the aggregate fair value of the net assets.

The carrying amount of goodwill at reporting date is allocated to each of the cash-generating units is as follows:

	Consolidated	
	31-Dec-2023	31-Dec-2022
	RO	RO
Pioneer Cement Industries, UAE	**45,798,586**	45,798,586
Less: Provision for impairment loss	**(45,798,586)**	(45,798,586)
	-	-
Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC), Oman	**818,482**	818,482
Raysut Maldives Cement Pvt Ltd., Maldives	**2,517,390**	2,517,390
	3,335,872	3,335,872

During 2022, the management has tested the goodwill for impairment in accordance with IAS 36 “Impairment of Assets” and has accounted for impairment losses of RO 45.799 million against Pionner Cement Industries Limited UAE, at 31 December 2022 since the estimated recoverable amount of the related business to which the goodwill relates is less than its carrying value.

The recoverable amount of each cash-generating unit is determined based on a value in use calculation, using cash flow projections based on approved financial budgets. The Group has also analysed the impairment test based on market multiple to the historical earnings.

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value calculations and budgeted EBITDA. These assumptions are as follows:

Discount rate

The discount rate used for value in use calculations in 2023 ranges from 12% to 20% (2022: 12% to 20%) for various cash generating units.

Terminal value calculations

Terminal value based on assumption that forecast cash flow shall grow at a constant rate of 1% to 3% (2022: 1% to 3%) per annum till perpetuity.

Growth rate

Growth rate based on assumption that business shall grow at 1.7% to 13% per annum (2022: 1.7% to 13%).

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of Sohar Cement and Raysut Maldives is based would not cause the aggregate recoverable amount to fall below the aggregate carrying value of the related CGUs.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

9. Property, plant and equipment

Parent	Land, buildings civil works and mines RO	Plant and machinery RO	Motor vehicles RO	Furniture and fixtures RO	Office equipment RO	Vehicles, equipment and tools RO	Lease hold vehicles RO	Capital work-in-progress RO	Total RO
Cost									
At 1 January 2022	36,950,943	87,360,030	314,135	255,601	1,684,646	9,996,044	240,100	6,815,112	143,616,611
Additions	237,915	2,361,545	-	-	-	107,779	-	5,869,510	8,576,749
At 31 December 2022	37,188,858	89,721,575	314,135	255,601	1,684,646	10,103,823	240,100	12,684,622	152,193,360
At 1 January 2023	**37,188,858**	**89,721,575**	**314,135**	**255,601**	**1,684,646**	**10,103,823**	**240,100**	**12,684,622**	**152,193,360**
Additions	-	-	-	-	-	-	-	**417,880**	**417,880**
Transfers	-	**762,069**	-	-	-	**145,716**	-	**(907,785)**	-
At 31 December 2023	**37,188,858**	**90,483,644**	**314,135**	**255,601**	**1,684,646**	**10,249,539**	**240,100**	**12,194,717**	**152,611,240**
Accumulated depreciation									
At 1 January 2022	22,163,740	54,033,442	301,921	231,044	1,211,298	6,739,756	157,755	-	84,838,956
Charge for the year	991,388	2,148,316	7,213	7,672	175,338	705,669	48,020	-	4,083,616
At 31 December 2022	23,155,128	56,181,758	309,134	238,716	1,386,636	7,445,425	205,775	-	88,922,572
At 1 January 2023	**23,155,128**	**56,181,758**	**309,134**	**238,716**	**1,386,636**	**7,445,425**	**205,775**	-	**88,922,572**
Charge for the year	**996,140**	**2,281,487**	**5,001**	**6,957**	**170,067**	**700,613**	**34,325**	-	**4,194,590**
At 31 December 2023	**24,151,268**	**58,463,245**	**314,135**	**245,673**	**1,556,703**	**8,146,038**	**240,100**	-	**93,117,162**
Net carrying value									
At 31 December 2023	**13,037,590**	**32,020,399**	-	**9,928**	**127,943**	**2,103,501**	-	**12,194,717**	**59,494,078**
At 31 December 2022	14,033,730	33,539,817	5,001	16,885	298,010	2,658,398	34,325	12,684,622	63,270,788

The property, plant and equipment are mortgaged against borrowings obtained from banks (Note 24).

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

9. Property, plant and equipment (continued)

Consolidated	Land, buildings civil works and mines RO (Restated)	Plant and machinery RO (Restated)	Ships RO	Motor vehicles RO	Lease hold vehicles RO	Furniture and fixtures RO (Restated)	Office equipment RO (Restated)	Vehicles, equipment and tools RO	Capital work-in-progress RO	Total RO (Restated)
Cost										
At 1 January 2022	52,853,809	139,875,458	6,209,189	612,719	240,100	470,366	2,333,119	13,291,657	18,530,720	234,417,137
Additions	240,565	2,300,729	-	-	-	6,316	31,237	124,322	9,573,126	12,276,295
Disposals	-	-	(6,209,189)	-	-	-	-	-	-	(6,209,189)
Transfers	-	-	-	-	-	-	-	61,912	(61,912)	-
At 31 December 2022	53,094,374	142,176,187	-	612,719	240,100	476,682	2,364,356	13,477,891	28,041,934	240,484,243
At 1 January 2023	**53,094,374**	**142,176,187**	**-**	**612,719**	**240,100**	**476,682**	**2,364,356**	**13,477,891**	**28,041,934**	**240,484,243**
Additions	**-**	**995**	-	**-**	**-**	**3,697**	**4,544**	**36,962**	**2,304,950**	**2,351,148**
Adjustment of CWIP	**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**(14,336)**	**(14,336)**
Transfer	**-**	**762,069**	**-**	**-**	**-**	**-**	**-**	**158,003**	**(920,072)**	**-**
At 31 December 2023	**53,094,374**	**142,939,251**	-	**612,719**	**240,100**	**480,379**	**2,368,900**	**13,672,856**	**29,412,476**	**242,821,055**
Accumulated depreciation										
At 1 January 2022	27,170,903	73,369,414	6,209,189	510,520	157,755	413,401	1,647,826	9,192,620	-	118,671,628
Charge for the year	1,635,771	3,355,282	-	31,563	48,020	16,282	197,414	1,017,456	-	6,301,788
Disposals	-	-	(6,209,189)	-	-	-	-	-	-	(6,209,189)
Provision for impairment	6,724,342	-	-	-	-	-	-	-	7,638,858	14,363,200
At 31 December 2022	35,531,016	76,724,696	-	542,083	205,775	429,683	1,845,240	10,210,076	7,638,858	133,127,427
At 1 January 2023	**35,531,016**	**76,724,696**	-	**542,083**	**205,775**	**429,683**	**1,845,240**	**10,210,076**	**7,638,858**	**133,127,427**
Charge for the year	**1,660,505**	**3,592,347**	-	**16,745**	**34,325**	**15,000**	**180,772**	**930,620**	**-**	**6,430,314**
Disposals/Write off	**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**37,191,521**	**80,317,043**	-	**558,828**	**240,100**	**444,683**	**2,026,012**	**11,140,696**	**7,638,858**	**139,557,741**
Net carrying value										
At 31 December 2023	**15,902,853**	**62,622,208**	-	**53,891**	**-**	**35,696**	**342,888**	**2,532,160**	**21,773,618**	**103,263,314**
At 31 December 2022	17,563,358	65,451,491	-	70,636	34,325	46,999	519,116	3,267,815	20,403,076	107,356,816

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

9. Property, plant and equipment (continued)

The limestone mining rights of Pioneer Cement Industries are located in UAE and Georgia and are included in property, plant and equipment in the amount of RO 593,427 (2022: RO 947,819).

Depreciation is allocated for the year/year as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Cost of sales [note 31]	**3,995,887**	3,882,952	**6,136,376**	5,940,580
General and administrative expenses [note 32]	**198,703**	200,664	**293,938**	361,208
	4,194,590	4,083,616	**6,430,314**	6,301,788

10. Right-of-use assets

Parent	Leasehold properties RO
Cost	
At 1 January 2022	3,446,229
At 31 December 2022	3,446,229
At 1 January 2023	**3,446,229**
At 31 December 2023	**3,446,229**
Accumulated depreciation	
At 1 January 2022	673,210
Charge for the year	224,404
At 31 December 2022	897,614
At 1 January 2023	**897,614**
Charge for the year	**224,402**
At 31 December 2023	**1,122,016**
Net carrying value	
At 31 December 2023	**2,324,213**
At 31 December 2022	2,548,615

Consolidated	
Cost	
At 1 January 2022	7,289,716
At 31 December 2022	7,289,716
At 1 January 2023	**7,289,716**
Additions	**689,350**
At 31 December 2023	**7,979,066**
Accumulated depreciation	
At 1 January 2022	1,065,709
Charge for the year	404,543
At 31 December 2022	1,470,252
At 1 January 2023	**1,470,252**
Charge for the year	**441,280**
At 31 December 2023	**1,911,532**
Net carrying value	
At 31 December 2023	**6,067,534**
At 31 December 2022	5,819,464

Right-of-use assets include leasehold property agreements for factories to transport Group's products.

The Parent Company has been granted leasehold rights by late His Majesty Sultan Qaboos bin Said for the use of land, on which the factory has been constructed, for a period of thirty years from 1 July 1984. Current policy of the Ministry has changed from long term lease tenure to yearly lease. The Parent Company has applied for the extension of lease period and does so on yearly basis. The Parent Company has considered the lease term considering all relevant factors.

Buildings of the subsidiary, Pioneer Cement Industries, are constructed and the site development is carried out on a plot of land leased from RAK Investment Authority for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.

Buildings of the subsidiary, Sohar Cement factory SPC, is constructed and the site development is carried out on a plot of land leased from Ministry for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

10. Right-of-use assets (continued)

In 2021, subsidiary Company, Duqm Cement Factory LLC, recognised right-of-use assets and lease liabilities relating to the leasehold land with a period of 30 years. Upon its expiry, the lease can be renewed for a further term and on same conditions.

Depreciation is allocated as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Cost of sales [note 31]	**180,889**	180,889	**328,007**	291,268
General and administrative expenses [note 32]	**-**	-	**69,760**	69,760
Selling and distribution expenses [note 34]	**43,513**	43,515	**43,513**	43,515
	224,402	224,404	**441,280**	404,543

11. Investment in an associate

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Cost	**113,343**	113,343	**113,343**	113,343
Less: Impairment	**(113,343)**	(113,343)	**(113,343)**	(113,343)
	-	-	**-**	-

12. Investment in subsidiaries

	Parent	
	31-Dec-2023	31-Dec-2022
	RO	RO
Pioneer Cement Industries, UAE	**66,532,035**	66,532,035
Less: Provision for impairment of investment	**(52,522,928)**	(52,522,928)
	14,009,107	14,009,107
Sohar Cement Factory SPC, Oman	**12,524,568**	12,524,568
Raysut Burwaqo Cement Company LLC, Somalia	**102,000**	102,000
Raysut Maldives Cement Private Ltd, Maldives	**3,240,265**	3,240,265
Raysut Cement Trading Madagascar	**99**	99
Less: Provision for impairment of investment	**(99)**	(99)
Duqm Cement Factory LLC, Oman	**150,000**	150,000
	30,025,940	30,025,940

On 30 December 2010, the Parent Company acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer'). Pioneer was incorporated on 24 September 2004 in Ras Al Khaimah, UAE.

On 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC ('SCF'). SCF was incorporated on 14 September 2011 in Sohar, Sultanate of Oman as a limited liability company and converted to single person company in the year 2020.

Investment in Raysut Burwaqo Cement Company ('RBCC') represents 51% (2022: 51%) equity interest. RBCC was incorporated in January 2017 in the Sultanate of Oman. RBCC has not commenced its commercial operations as of the reporting date.

On 12 August 2020, the Parent Company acquired 75% ordinary shares of Raysut Maldives Cement Pvt Ltd ('Raysut Maldives') formerly Lafarge Maldives Cement Private Limited. Raysut Maldives was incorporated on 2 September 1998 in K' Male, Republic of Maldives.

Investment in Duqm Cement Factory LLC. ('DCF') represents 100% equity interest. DCF was incorporated in November 2019 in the Sultanate of Oman. DCF is a grinding unit in Duqm region which is under construction phase.

On 1 July 2021, the Parent Company acquired 100% ordinary shares of Raysut Cement Trading Madagascar. The Company is engaged in trading activity of Cement and related products.

Summarized financial information in respect of subsidiaries is set out below:

	Total assets	**Total liabilities**	**Net assets**	**Revenue**	**Profit / (loss)**
31 December 2023	**RO**	**RO**	**RO**	**RO**	**RO**
Pioneer Cement Industries	**44,844,138**	**19,580,264**	**25,263,874**	**18,312,410**	**(1,801,100)**
Sohar Cement Factory SPC	**25,335,438**	**14,614,255**	**10,721,183**	**15,472,140**	**(662,628)**
Raysut Burwaqo Cement Company	**149,074**	**2,000**	**147,074**	**-**	**(751)**
Raysut Maldives Cement Private Ltd.	**2,652,792**	**1,181,215**	**1,471,577**	**2,986,736**	**185,317**
Raysut Cement Trading Madagascar	**768,883**	**1,897,704**	**(1,128,821)**	**-**	**-**
Duqm Cement Factory LLC	**10,152,563**	**12,574,010**	**(2,421,447)**	**-**	**(193,575)**

	Total assets	Total liabilities	Net assets	Revenue	Profit / (loss)
31 December 2022	RO	RO	RO	RO	RO
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Pioneer Cement Industries	46,422,189	19,357,217	27,064,972	17,281,003	(9,233,915)
Sohar Cement Factory SPC	26,306,739	14,922,928	11,383,811	14,352,807	(3,732,861)
Raysut Burwaqo Cement Company	150,925	3,100	147,825	-	(1,520)
Raysut Maldives Cement Private Ltd.	2,406,707	1,120,445	1,286,262	4,732,266	31,216
Raysut Cement Trading Madagascar	811,789	1,940,610	(1,128,821)	990,039	(488,424)
Duqm Cement Factory LLC	8,242,523	10,470,394	(2,227,871)	-	(2,104,790)

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

13. Financial assets at fair value through other comprehensive income

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Unquoted local equity investment	**125,000**	125,000	**125,000**	125,000
Less: provision for impairment	**(125,000)**	(125,000)	**(125,000)**	(125,000)
	-	-	**-**	-

14. Inventories

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Raw materials	**1,050,798**	2,971,519	**1,410,794**	3,441,651
Work-in-progress	**8,939,884**	2,451,780	**11,632,819**	2,814,479
Finished goods	**3,164,538**	3,343,515	**4,003,094**	4,133,278
Provision for inventories [note 14.1]	**(3,413,267)**	(3,413,267)	**(3,413,267)**	(3,413,267)
	9,741,953	5,353,547	**13,633,440**	6,976,141
Spares and consumables	**6,741,129**	7,106,197	**10,971,484**	10,998,874
Allowance for slow-moving spares [note 14.2]	**(2,928,072)**	(2,808,072)	**(3,888,867)**	(3,490,537)
	13,555,010	9,651,672	**20,716,057**	14,484,478

14.1 Movement in provision for inventories is as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
At 1 January	**3,413,267**	460,000	**3,413,267**	460,000
Charge for the year [note 31]	**-**	2,953,267	**-**	2,953,267
	3,413,267	3,413,267	**3,413,267**	3,413,267

14.2 Movement in allowance for slow-moving spares is as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
At 1 January	**2,808,072**	2,688,072	**3,490,537**	3,304,423
Charge for the year [note 31]	**120,000**	120,000	**398,330**	186,114
	2,928,072	2,808,072	**3,888,867**	3,490,537

15. Trade receivables

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Trade receivables	**12,329,722**	12,071,718	**19,012,273**	17,266,186
Due from related parties [note 44(a)]	**13,567,495**	12,901,648	**11,820,268**	11,126,294
	25,897,217	24,973,366	**30,832,541**	28,392,480
Less: allowance for expected credit losses on trade receivables	**(11,119,136)**	(10,089,980)	**(13,952,806)**	(12,188,195)
Less: allowance for expected credit losses on due from related parties	**(12,341,796)**	(12,361,835)	**(10,594,569)**	(10,586,482)
	2,436,285	2,521,551	**6,285,166**	5,617,803

At the reporting date 66% (2022: 72%) of trade receivables are due from 5 customers (2022: 5 customers) of the Parent Company.

Details of gross exposure of trade receivables are set out below:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Not due	**1,250,018**	2,061,480	**3,132,798**	3,185,818
Past due but not impaired	**1,186,267**	460,071	**3,152,368**	2,431,985
Past due and impaired	**23,460,932**	22,451,815	**24,547,375**	22,774,677
	25,897,217	24,973,366	**30,832,541**	28,392,480

As of 31 December 2023, trade receivables relating to Parent Company of RO 1,186,267 (2022: RO 460,071) and Group trade receivables of RO 3,152,368 (2022: RO 2,434,373), were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The movement in allowance for impairment of trade receivables is as follows:

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

15. Trade receivables (continued)

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
At 1 January	**22,451,815**	3,080,884	**22,774,676**	3,042,220
Charge for the year	**1,009,117**	19,370,931	**1,772,699**	19,732,456
	23,460,932	22,451,815	**24,547,375**	22,774,676

The carrying amounts of the Group's trade receivables and due from related parties before allowance for expected credit losses are denominated in the following currencies:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Rial Omani	**17,946,010**	14,920,233	**19,571,627**	22,448,205
US Dollar	**7,951,207**	10,053,133	**7,951,207**	5,944,275
Euro	**-**	-	**-**	-
UAE Dirhams	**-**	-	**3,309,707**	-
	25,897,217	24,973,366	**30,832,541**	28,392,480

The fair value of trade receivables approximates their carrying amounts. Maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

16. Financial assets at fair value through profit or loss

	Parent and Consolidated	
	31-Dec-2023	31-Dec-2022
	RO	RO
Fair value		
Bank Dhofar SAOG, Oman	**2,752,437**	3,010,478
Dhofar Insurance Company SAOG, Oman	**166,000**	139,333
Dhofar University SAOC, Oman	**267,300**	267,300
	3,185,737	3,417,111
Cost		
Bank Dhofar SAOG	**1,229,700**	1,229,700
Dhofar Insurance Company SAOG	**29,600**	29,600
Dhofar University SAOC	**300,000**	300,000
	1,559,300	1,559,300

Movement in fair value of financial assets at fair value through profit or loss is as follows:

	Parent and Consolidated	
	31-Dec-2023	31-Dec-2022
	RO	RO
At 1 January	**3,417,111**	2,562,616
Fair value changes	**(231,374)**	854,495
	3,185,737	3,417,111

Bank Dhofar SAOG and Dhofar Insurance Company SAOG shares are pledged against short term borrowings (Note 29).

17. Prepayments, advances and other receivables

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Advances and deposits	**3,207,572**	2,869,165	**4,694,364**	4,127,467
Less: allowances for impairment	**(2,985,451)**	(2,288,150)	**(3,920,048)**	(3,706,083)
	222,121	581,015	**774,316**	421,384
Other receivables from related parties [note 44(b)]	**22,663,484**	21,782,863	**15,804,632**	15,813,744
Less: allowance for impairment [note 44(b)]	**(21,222,596)**	(21,221,338)	**(15,804,632)**	(15,813,744)
	1,440,888	561,525	**-**	-
Receivable from tax authorities	**559,139**	559,139	**559,139**	559,139
Less: allowance for impairment	**(559,139)**	(559,139)	**(559,139)**	(559,139)
	-	-	**-**	-
Prepayments	**-**	5,000	**83,773**	78,752
VAT, net	**199,123**	100,361	**483,392**	509,065
Advances to staff	**-**	-	**56,963**	56,684
Other receivables	**1,779,646**	1,938,094	**2,369,033**	2,472,755
Less: Provision for impairment loss	**(1,779,646)**	(1,800,073)	**(1,779,646)**	(1,800,073)
	-	138,021	**589,387**	672,682
	1,862,133	1,385,922	**1,987,832**	1,738,567

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

17. Prepayments, advances and other receivables (continued)

The movement in allowance for impairment of advances and other receivables is as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
At 1 January	**25,868,700**	17,791,697	**21,879,039**	21,458,149
Charge for the year	**678,132**	8,077,003	**184,426**	420,890
	26,546,832	25,868,700	**22,063,465**	21,879,039

18. Cash and bank balances

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
				(Restated)
Cash in hand	**8,883**	4,128	**34,499**	36,069
Cash at bank:				
Current accounts	**398,362**	131,548	**1,648,962**	1,253,103
Call deposits	**4,482**	1,838	**4,482**	1,838
	411,727	137,514	**1,687,943**	1,291,010

Call deposits are placed with the commercial banks at interest rates ranging from 0.5% to 1.5% (2022: 0.5% - 1.5%) per annum. There are no restrictions on bank balances at the time of approval of the separate and consolidated financial information.

19. Share capital

	Parent	
	31-Dec-2023	31-Dec-2022
	RO	RO
Authorised share capital	**21,000,000**	21,000,000
Issued and paid up share capital	**20,000,000**	20,000,000

The authorised share capital of the Parent Company represents 210,000,000 (2022: 210,000,000) ordinary shares of RO 0.100 each and issued and paid up share capital of the Parent Company represents 200,000,000 ordinary shares of RO 0.100 each.

The Shareholders who own 10% or more of the Parent Company's share capital are:

	% Share holding		Shares held	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
Abu Dhabi Fund for Development, UAE	**15.00**	15.00	**30,000,000**	30,000,000
Islamic Development Bank	**11.71**	11.71	**23,415,000**	23,415,000
Dolphin International	**10.33**	10.33	**20,657,710**	20,657,710
Schwenk Cement Nederland B.V.	**10.00**	10.00	**20,001,001**	20,001,001
	47.04	47.04	**94,073,711**	94,073,711
Others	**52.96**	52.96	**105,926,289**	105,926,289
	100.00	100.00	**200,000,000**	200,000,000

20. Share premium

In the years 1988, 1994, 2005 and 2006, the Parent Company made an offering of shares to the public at a premium. As a result of these offerings, a share premium account with an amount of RO 13,456,873 was established. Share premium account is not available for distribution.

21. Legal reserve

Commercial Companies Law of the Sultanate of Oman, 2019 requires that 10% of the Parent Company's net profit be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's issued share capital.

22. Asset replacement reserve

The Board of Directors have resolved that 5% of the Parent Company's net profit for the year be transferred to a reserve for the purpose of replacement of capital assets until the amount together with any other voluntary reserves reach one half of the Parent Company's issued capital. During the year, the Parent Company has not added to these reserves as the stipulated limit has already been reached.

23. Voluntary reserve

The Board of Directors have resolved that 10% of the Parent Company's net profit to be transferred to voluntary reserve. During the year, the Parent Company has not added to this reserve as the stipulated limit has already been reached.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

24. Borrowings

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO
Non-current portion				
Bank Nizwa SAOG	**11,165,726**	11,293,173	**11,165,726**	11,293,173
Bank Dhofar SAOG	**3,899,377**	2,079,000	**3,899,377**	5,194,167
Sohar International Bank	**4,112,570**	5,049,638	**4,112,570**	5,049,638
Al Masraf Bank	**-**	-	**8,475,092**	5,017,030
Ahli Bank SAOG	**2,370,000**	2,700,000	**6,814,109**	7,144,109
Alizz Bank	**-**	-	**3,646,709**	-
Loan from a subsidiary company	**6,348,609**	4,992,107	**-**	-
Taageer Finance	**749,249**	722,225	**1,552,674**	722,225
SME Development Fund	**1,390,328**	1,800,000	**1,390,328**	1,800,000
Lease hold vehicles	**-**	12,078	**-**	890
Transaction costs deferred	**(746,334)**	(746,334)	**(746,334)**	(746,334)
	29,289,525	27,901,887	**40,310,251**	35,474,898
Current portion				
Bank Dhofar SAOG	**1,200,623**	4,015,167	**1,200,623**	900,000
Sohar International Bank	**937,068**	-	**937,068**	-
Al Masraf Bank	**-**	-	**649,625**	1,699,105
Ahli Bank SAOG	**600,000**	300,000	**600,000**	300,000
Alizz Bank	**-**	-	**1,673,519**	7,466,007
Loan from a subsidiary company	**649,007**	1,699,105	**-**	-
Taageer Finance	**119,691**	133,332	**339,027**	133,332
SME Development Fund	**593,499**	600,000	**593,499**	600,000
Lease hold vehicle	**-**	54,193	**-**	65,380
Transaction costs deferred	**(28,345)**	(28,345)	**(28,345)**	(28,345)
	4,071,543	6,773,452	**5,965,016**	11,135,479
	33,361,068	34,675,339	**46,275,267**	46,610,377

The interest rates on the above loans and the repayment schedule is as follows:

31 December 2023

Parent	Interest rate %	Total RO	One year RO	2 to 3 years RO	4 to 10 years RO
Bank Nizwa SAOG	7.00%	**11,165,726**	**-**	**3,300,000**	**7,865,726**
Bank Dhofar SAOG	3 Month SOFR + 400	**5,100,000**	**1,200,623**	**3,899,377**	**-**
Sohar International	7.00%	**5,049,638**	**937,068**	**937,068**	**3,175,502**
Ahli Bank SAOG	6.50%	**2,970,000**	**600,000**	**840,000**	**1,530,000**
Loan from a subsidiary	3 Month EIBOR + 4%	**6,997,616**	**649,007**	**2,646,173**	**3,702,436**
Taageer Finance SAOG	8.06%	**868,941**	**119,691**	**289,030**	**460,220**
SME Development Fund	5.79%	**1,983,827**	**593,499**	**1,390,328**	**-**
Transaction costs deferred		**(774,679)**	**(28,345)**	**(56,690)**	**(689,644)**
		33,361,069	**4,071,544**	**13,245,285**	**16,044,240**
Consolidated					
Al Masraf Bank	3 Month EIBOR + 4%	**9,125,335**	**649,625**	**2,598,500**	**5,877,210**
Bank Nizwa SAOG	6.35%	**11,165,726**	**-**	**3,300,000**	**7,865,726**
Bank Dhofar SAOG	3 Month SOFR + 400	**5,100,000**	**1,200,623**	**3,899,377**	**-**
Sohar International	4.50%	**5,049,638**	**937,068**	**937,068**	**3,175,502**
Ahli Bank SAOG	6.50%	**7,414,109**	**600,000**	**-**	**6,814,109**
Taageer Finance SAOG	8.06%	**1,891,702**	**339,027**	**438,672**	**1,114,003**
SME Development Fund	5.79%	**1,983,827**	**593,499**	**1,390,328**	**-**
Alizz Islamic Bank	6.25%	**5,320,228**	**1,673,519**	**1,875,770**	**1,770,939**
Transaction costs deferred		**(774,679)**	**(28,345)**	**(56,690)**	**(689,644)**
		46,275,886	**5,965,017**	**14,383,024**	**25,927,845**

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

24. Borrowings (continued)

31 December 2022

Parent	Interest rate %	Total RO	One year RO	2 to 3 years RO	4 to 10 years RO
Bank Nizwa SAOG	7.00%	11,293,173	-	3,581,656	7,711,517
Bank Dhofar SAOG	3 Month LIBOR + 260	6,094,167	4,015,167	1,386,000	693,000
Sohar International	7.00%	5,049,638	-	937,068	4,112,570
Ahli bank	6.50%	3,000,000	300,000	2,700,000	
Loan from a subsidiary	3 Month EIBOR + 3%	6,691,212	1,699,105	3,398,210	1,593,897
Taageer Finance SAOG	8.06%	855,557	133,332	266,664	455,561
SME Development Fund	5.79%	2,400,000	600,000	1,200,000	600,000
Lease hold vehicle	19.66% – 26.5%	66,280	54,193	12,087	-
Transaction costs deferred		(774,688)	(28,345)	(56,690)	(689,653)
		34,675,339	6,773,452	13,424,995	14,476,892

Consolidated	Interest rate %	Total RO	One year RO	2 to 3 years RO	4 to 10 years RO
Al Masraf Bank	3 Month EIBOR +3%	6,716,134	1,699,105	3,398,210	1,618,819
Bank Nizwa SAOG	6.35%	11,293,173	-	3,581,656	7,711,517
Bank Dhofar SAOG	3 Month LIBOR +260	6,094,167	4,015,167	1,386,000	693,000
Sohar International	4.50%	5,049,638	-	937,068	4,112,570
Ahli bank	6.50%	7,444,109	300,000	2,700,000	4,444,109
Taageer Finance SAOG	8.06%	855,557	133,332	266,664	455,561
SME Development Fund	5.79%	2,400,000	600,000	1,200,000	600,000
Alizz Islamic Bank	6.25%	7,466,007	7,466,007	-	-
Lease hold vehicle	19.66% – 26.5%	66,280	54,193	12,087	-
Transaction costs deferred		(774,688)	(28,345)	(56,690)	(689,653)
		46,610,377	14,239,459	13,424,995	18,945,923

Parent

A loan of RO 32 million was obtained from Bank Dhofar SAOG which is repayable in 20 semi-annual variable instalments starting from December 2012. The loan is secured by a first pari pasu charge over fixed assets of the Parent Company and assignment of insurance policies along with other banks. In 2016, the term loan was converted into USD without changing the repayment schedule. In August 2021 loan outstanding RO 5.1 million was rescheduled in 11 un-equal installments, repayment starting from December 2021 to December 2026. The rate of interest is 3 months LIBOR + 400 bps (presently SOFR + 400 bps) (with minimum all in interest rate of 5% per annum) applied and payable in quarterly installments. Repayment of the principal has not commenced yet and deferment of the principal repayment is extended by the bank up to June 2024.

A loan of RO 13.125 million at 7% interest was obtained from Sohar International which was repayable in 14 equal semi-annual instalments starting from December 2016, to prepay loans that were at higher rate. The loan is secured by a first pari pasu charge over the fixed assets of the Parent Company and assignment of insurance policies along with other banks. In December 2021 outstanding loan RO 5.049 was rescheduled in 9 un-equal installments starting from June 2024, at a rate of interest of 7% per annum applied and payable in quarterly installments.

Wakala Bel Istithmar (financing by Investment agency) of RO 12 million was obtained through Islamic finance from a commercial bank and carries a profit rate of 6.35% per annum. The facility is secured against a first Pari pasu charge over fixed assets of the Parent Company. In December 2021, outstanding facility was rescheduled in 23 un-equal installments starting from March 2023, at a profit rate of 7% per annum applied and payable in quarterly installments. The loan was further rescheduled in 2023 with repayment of principal starting from June 2025 with 14 unequal quarterly instalments, with a profit rate of 7.50%.

The Parent Company obtained a loan from one of the subsidiaries, Pioneer Cement Industries, which is repayable over 8 years with the first quarterly instalment payable in June 2019. The facility carries mark-up at 3 month EIBOR + 4% p.a. (minimum 5% p.a.).

The overdraft facility of RO 3 million obtained as working capital from Ahli Bank SAOG was converted to a term loan at the restructuring of the facility in September 2022 for a period of 6 years and is repayable in 22 unequal quarterly instalments starting from end of moratorium period starting from June 2023. The loan is secured by a pari-passu commercial mortgage over assets. The rate of interest is 6.5% (presently 7.00%) per annum to be reviewed semi annually.

Parent Company obtained term loan of RO 1 Million from Tajeer Finance Company, repayable in 90 equal installments, with the annual interest rate of 8.06%. The facility is secured against the mortgage of the equipment of the Company.

Parent Company obtained a term loan of RO 3 Million from SME Development Fund, repayable in 60 equal installments, with the annual interest rate of 5.79% per annum. The facility is secured against the mortgage of the plant and machinery of the subsidiary.

Subsidiary Companies

Pioneer Cement Industries, UAE

Pioneer Cement Industries, has obtained a commercial term loan facility from a local commercial bank repayable in 8 years with first quarterly instalment due in June 2019. The facility is secured against the commercial mortgage of the plant and machinery of the Company, promissory notes and corporate guarantee by the Parent Company and carries mark-up at 3 month EIBOR + 3% p.a. (minimum 5% p.a.).

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

24. Borrowings (continued)

Sohar Cement Factory SPC, Oman

Diminishing Ijara'h facility of RO 11.5 million was obtained through Islamic finance from a commercial bank by Sohar Cement, carrying a profit rate of 6.25% (presently 7.50%) per annum on diminishing balances basis. The Ijara'h facility is repayable in 28 quarterly instalment of RO 410,715 each beginning from June 2019 and ending on March 2027 The Ijara'h facility is secured against i) sale undertaking of fixed assets by creditors; ii) Mortgage/ transfer of Usufruct/ assignment of Usufruct of the assets; iii) assignment of all Takaful proceeds or additions of the facility Agent as a loss payee; and (iv) corporate guarantee from the Parent Company.

Duqm Cement Factory LLC, Oman

A loan of RO 8.1 million was sanctioned from Ahli Bank SAOG for a period of 10 years and is repayable in 32 unequal quarterly instalments starting from end of moratorium period of 24 months starting from December 2020. In September 2022, the term loan was restructured for the amount utilized of RO 4.444 million with a capital moratorium of 2 years up to September 2024. The maturity of the loan will remain as per the initial loan agreement and the repayment will be in unequal quarterly installments.

The loan is secured by a i) usufruct mortgage over leased land where project is being constructed; ii) exclusive commercial mortgage over total Company assets covering 100% of facility exposure; iii) corporate guarantees of Raysut Cement Company SAOG, Sohar Cement Factory SPC and Pioneer Cement Industries. The rate of interest is 6.5% per annum to be reviewed semi annually

Certain covenants as per terms of some banks as per the term agreement were not met at the reporting date and loan balances have continued to be classified consistently from the last year as the lenders have assured that facilities will not be recalled.

25. Lease liabilities

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Gross value of the lease liability against Right-of-use asset	**3,787,455**	4,116,670	**12,373,808**	12,373,809
Future finance charges on finance leases	**(1,194,801)**	(1,369,000)	**(5,536,305)**	(5,934,849)
Present value of minimum lease payments	**2,592,654**	2,747,670	**6,837,503**	6,438,960
Maturity analysis of lease liability				
Due within 1 year – current portion	**162,727**	134,106	**403,556**	447,464
Due after one year but within five years	**2,429,927**	2,613,564	**3,271,329**	3,271,330
Due after five years	**-**	-	**3,162,618**	2,720,166
	2,592,654	2,747,670	**6,837,503**	6,438,960

26. Income tax

Separate and consolidated statement of comprehensive income

The tax charge for the year is analysed as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Current tax				
- prior year	**(103,932)**	-	**(134,496)**	(11,068)
	(103,932)	-	**(134,496)**	(11,068)
Deferred tax				
- current year	**-**	-	**-**	4,610
	(103,932)	-	**(134,496)**	(6,458)

Separate and consolidated statement of financial position	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Current liability				
Income tax payable	**-**	-	**153,059**	106,443
Non-current				
Deferred tax assets	**-**	-	**242,722**	227,483
Deferred tax liability	**(1,513,000)**	(1,513,000)	**(1,513,000)**	(1,513,000)

Separate and consolidated statement of financial position

The Parent Company's income tax assessments for the tax years up to 2020 have been finalised by the Tax Authorities. The income tax assessments of the Parent Company for the years 2021 to 2022 has not yet been finalised. Management is of the opinion that additional taxes, if any, that may be assessed on completion of the assessments for the open tax years would not be significant to the Parent Company and consolidated statement of financial position as at 31 December 2023.

Raysea Navigation S.A (subsidiary Company) has ceased operations and final assessment is pending with tax department.

Pioneer Cement Industries (subsidiary Company) is registered in UAE as a limited liability Company in Ras Al Khaimah and is not subject to taxation in the UAE.

Sohar Cement Factory SPC (subsidiary Company) is registered in as a single person Company in Sohar Industrial Area and is subject to taxation in the Sultanate of Oman, however, the Company is exempted from tax for a period of five years from 01 January 2019.

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

26. Income tax (continued)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2022: 15%). Net deferred tax liability in statement of financial position and the net deferred tax charge in the statement of comprehensive income are attributable to the following items:

31 December 2023		**Charge/(credit)**	
Parent	**01-Jan-23**	**for the year**	**31-Dec-2023**
	RO	**RO**	**RO**
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	**(4,748,786)**	**-**	**(4,748,786)**
Deferred tax assets			
Tax effects of allowance for inventories	**405,858**	**-**	**405,858**
Tax effect of allowance for expected credit losses	**253,919**	**-**	**253,919**
Tax effect of losses	**2,576,009**	**-**	**2,576,009**
Net deferred tax liability	**(1,513,000)**	**-**	**(1,513,000)**
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	**(4,748,786)**	**-**	**(4,748,786)**
Deferred tax assets			
Tax effects of allowance for inventories	**405,858**	**-**	**405,858**
Tax effect of allowance for expected credit losses	**253,919**	**-**	**253,919**
Tax effect of losses	**2,576,009**	**-**	**2,576,009**
Net deferred tax liability	**(1,513,000)**	**-**	**(1,513,000)**
Deferred tax liability relating to Parent Company			**(1,513,000)**
Deferred tax asset relating to subsidiary company			**242,722**
			(1,270,278)

31 December 2022		Charge/(credit)	
Parent	01-Jan-2022	for the year	31-Dec-2022
	RO	RO	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax effect of losses	2,576,009	-	2,576,009
Tax effect of losses	-	-	-
Net deferred tax liability	(1,513,000)	-	(1,513,000)
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for doubtful debts	253,919	-	253,919
Tax effect of losses	2,576,009	-	2,576,009
Net deferred tax liability	(1,513,000)	-	(1,513,000)
Deferred tax liability relating to Parent Company			(1,513,000)
			(1,513,000)
Deferred tax liability relating to Parent Company			(1,513,000)
Deferred tax assets relating to one of subsidiary company			227,483
			(1,285,517)

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

27. End of service benefits

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
At 1 January	**532,595**	523,103	**1,112,866**	1,064,519
Charge for the year [note 33]	**193,767**	55,362	**272,436**	138,878
Adjustments	**9,864**	-	**9,864**	-
Paid during the year	**(25,923)**	(45,870)	**(101,410)**	(90,530)
	710,303	532,595	**1,293,756**	1,112,867

28. Trade and other payables

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
				(Restated)
Trade payables	**26,845,141**	14,830,946	**33,936,411**	19,857,761
Due to related parties [note 44(c)]	**5,300,959**	8,433,650	**-**	-
Accrued expenses	**5,624,744**	11,791,588	**8,579,989**	12,560,218
Customer advances	**660,097**	-	**684,870**	124,556
Accrued interest	**1,440,552**	336,216	**1,535,000**	636,718
Other payables	**369,694**	412,352	**508,960**	608,976
	40,241,187	35,804,753	**45,245,230**	33,788,229

28.1 Other liabilities

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Due after one year but within five years	**12,996,768**	12,996,768	**12,996,768**	12,996,768
Due within 1 year – current portion	**12,322,158**	12,322,158	**12,322,158**	12,322,158
	25,318,926	25,318,926	**25,318,926**	25,318,926

29. Short term borrowings

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Short term loan	**5,288,041**	4,407,851	**7,739,397**	9,906,793
Overdrafts	**856,713**	1,822,521	**856,713**	1,874,430
	6,144,754	6,230,372	**8,596,110**	11,781,223

Parent Company

Short term loans are obtained from commercial banks carrying an interest rates of 6% to 6.5% (2022: 6% to 6.5%) per annum for a period of 180 days and overdrafts are obtained from commercial banks at interest rates ranging from 5.5% to 6.5% (2022: 5.5% to 6.5%) per annum. The loan is secured by the pledge of following securities:

1) Shares of Bank Dhofar SAOG and Dhofar Insurance SAOG 15,391,143 and 555,555 respectively (Note 16).
2) Pari-Passu charge on commercial mortgage over the assets of the borrower.
3) Assignment of all insurance of all fixed assets (pari-passu with other lenders).

Subsidiary Company

Short term loan is obtained from commercial banks carrying an interest rates of 6% (2022: 6%) per annum for a period of 180 days.

30. Revenue

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
				(Restated)
Local sales	**16,273,500**	15,707,854	**45,567,531**	35,642,860
Export sales	**21,193,078**	29,655,492	**19,975,388**	33,436,477
	37,466,578	45,363,346	**65,542,919**	69,079,337

Disaggregation of revenue from contracts with customers

The Parent Company and Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions and are consistent with the revenue information that is disclosed for each segment under note 45:

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

30. Revenue (continued)

Segment

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Type of services				
Sale of goods	**37,466,578**	45,363,346	**65,542,919**	69,079,337
	37,466,578	45,363,346	**65,542,919**	69,079,337
Timing of revenue recognition				
At a point of time	**37,466,578**	45,363,346	**65,542,919**	69,079,337
	37,466,578	45,363,346	**65,542,919**	69,079,337
Geographical market				
Within Oman and UAE	**16,273,500**	15,707,854	**45,567,531**	35,642,860
Outside Oman and UAE	**21,193,078**	29,655,492	**19,975,388**	33,436,477
	37,466,578	45,363,346	**65,542,919**	69,079,337

Performance obligations

Sales of goods

The Parent Company and Group manufactures and sells a range of cement products. The revenue from sale of goods is recognised when performance obligation is satisfied and when control of the goods has transferred, being at the point the customer purchases the goods, the customer has full discretion over products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer. Payment of the transaction price is due immediately at the point the customer purchases the goods and takes delivery.

31. Cost of sales

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Raw materials consumed	**3,552,075**	4,470,627	**9,604,214**	7,982,242
Packing materials	**1,476,339**	2,579,848	**2,646,968**	2,707,217
Spares and consumables	**2,093,275**	2,256,506	**3,198,711**	2,922,392
Fuel, gas and electricity	**15,501,186**	15,488,449	**29,158,830**	28,316,988
Staff costs [note 33]	**4,479,877**	5,063,439	**5,800,431**	6,416,793
Depreciation [note 9]	**3,995,887**	3,882,952	**6,136,376**	5,940,580
Depreciation on right-of-use assets [note 10]	**180,889**	180,889	**328,007**	291,268
Other factory overheads	**2,016,398**	3,119,024	**3,496,392**	3,835,692
Purchased cement	**-**	-	**1,094,110**	1,807,789
Provision for slow moving spares [note 14.2]	**120,000**	120,000	**398,330**	186,114
Provision for inventories [note 14.1]	**-**	2,953,267	**-**	2,953,267
Movement in finished and semi-finished goods	**(5,853,106)**	790,058	**(8,333,651)**	3,903,434
	27,562,820	40,905,059	**53,528,718**	67,263,776

32. General and administrative expenses

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO (Restated)
Staff costs [note 33]	**2,356,248**	2,152,888	**3,337,476**	3,066,483
Donations	**32,740**	12,310	**32,740**	12,310
Directors' fees and remuneration [note 44(f)]	**204,424**	85,000	**204,424**	151,025
Recruitment, training and seminars	**6,490**	4,690	**6,490**	4,890
Advertisement and business promotion	**19,982**	16,984	**19,982**	19,185
Travelling expenses	**120,473**	332,578	**140,842**	422,806
Communication expenses	**15,511**	105,839	**63,524**	169,916
Rent and utilities expenses	**111,195**	83,850	**234,631**	280,168
Depreciation [note 9]	**198,703**	200,664	**293,938**	361,208
Depreciation of right-of-use assets [note 10]	**-**	-	**69,760**	69,760
Professional fees	**1,117,974**	1,045,035	**1,429,395**	1,267,785
Legal expenses	**148,134**	2,689,370	**160,060**	2,689,370
Bank charges	**45,448**	23,208	**128,272**	70,370
Allowance for expected credit losses	**1,687,248**	27,447,934	**1,958,380**	25,031,180
Impairment loss against carrying value of assets	**-**	-	**-**	7,863,258
Miscellaneous expenses	**101,900**	399,285	**200,691**	819,384
	6,166,470	34,599,635	**8,280,604**	42,299,098

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

33. Staff costs

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO (Restated)
Wages and salaries	**5,551,322**	6,460,695	**7,103,999**	8,504,646
Other benefits	**714,721**	354,084	**1,354,497**	472,684
Social security expense	**376,315**	346,186	**406,974**	367,068
End of service benefits [note 27]	**193,767**	55,362	**272,436**	138,878
	6,836,125	7,216,327	**9,137,907**	9,483,276

Staff costs are allocated as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO (Restated)
Cost of sales [note 31]	**4,479,877**	5,063,439	**5,800,431**	6,416,793
General and administrative expenses [note 32]	**2,356,248**	2,152,888	**3,337,476**	3,066,483
	6,836,125	**7,216,327**	**9,137,907**	**9,483,276**

Staff costs are allocated as follows:

34. Selling and distribution expenses

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO (Restated)
Export expenses	**1,882,982**	4,943,110	**1,882,982**	4,943,110
Termination cost of vessels	**-**	2,018,769	**-**	2,018,769
Shipping/terminal expenses	**437,501**	1,102,726	**437,501**	1,102,726
Transport charges	**1,286,446**	1,564,196	**2,082,043**	3,612,533
Depreciation on right-of-use assets [note 10]	**43,513**	43,515	**43,513**	43,515
Others	**-**	-	**82,128**	116,589
	3,650,442	9,672,316	**4,528,167**	11,837,242

35. Other income

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO (Restated)
Gain on deconsolidation of subsidiary	**-**	-	**-**	4,877,835
Reversal of allowance for expected credit losses [notes 15 and 17]	**-**	-	**1,249**	-
Reversal of provision for legal provision	**1,885,743**	-	**1,885,743**	-
Other miscellaneous income	**6,461**	186,817	**360,205**	5,589,986
	1,892,204	186,817	**2,247,197**	10,467,821

36. Finance cost - net

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO (Restated)
Interest expense on borrowings	**4,070,212**	1,611,861	**5,554,381**	2,736,371
Interest on overdrafts and others	**270,126**	586,533	**270,126**	627,210
Interest on lease liabilities	**180,362**	202,062	**493,304**	495,443
Net exchange (gain) / loss	**(57,715)**	(14,863)	**(55,787)**	167,256
	4,462,985	2,385,593	**6,262,024**	4,026,280

37. Investment income

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RO	RO	RO	RO
Dividend income on financial assets at FVTPL	**96,014**	44,405	**96,014**	44,405
	96,014	44,405	**96,014**	44,405

38. Net assets per share

Net asset per share is calculated by dividing the net assets at the end of the reporting year by the number of shares outstanding at that date as follows:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Net assets (RO)	**3,413,231**	6,136,458	**11,099,365**	16,273,957
Number of shares outstanding	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Net asset per share (RO)	**0.017**	0.031	**0.055**	0.081

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

39. Basic and diluted loss per share

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
Net loss for the year (RO)	**(2,723,227)**	(93,761,468)	**(5,174,592)**	(97,641,783)
Weighted average number of shares	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Basic and diluted loss per share	**(0.014)**	(0.469)	**(0.026)**	(0.488)

40. Commitments

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Capital commitments				
Civil and structural	**393,502**	90,740	**393,502**	34,890
Plant and machinery	**38,000**	499,217	**38,000**	1,305,162
Others	**18,580**	59,560	**18,580**	45,450
	450,082	649,517	**450,082**	1,385,502
Purchase commitments	**3,966,515**	2,107,536	**7,076,715**	7,032,847

Purchase commitments relates to the purchase orders of raw material, stores and spares and packing materials.

41. Contingent liabilities

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Letters of credit	**27,704**	1,008,250	**27,704**	1,008,250
Guarantee and performance bond	**490,000**	862,000	**533,658**	905,658
Relating to litigations	**500,000**	1,098,000	**627,793**	1,098,000
	1,017,704	2,968,250	**1,189,155**	3,011,908

42. Cash and cash equivalents

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
				(Restated)
Cash in hand	**8,883**	4,128	**34,499**	36,069
Cash at bank :				
Current accounts	**398,362**	131,548	**1,648,962**	1,253,103
Call deposits	**4,482**	1,838	**4,482**	1,838
Total cash and bank balances [note 18]	**411,727**	137,514	**1,687,943**	1,291,010
Bank overdrafts [note 29]	**(856,713)**	(1,822,521)	**(856,713)**	(1,874,430)
Cash and cash equivalents	**(444,986)**	(1,685,007)	**831,230**	(583,420)

43. Fair value measurement

All the financial assets and liabilities of the Group except for the financial assets at FVOCI and financial assets at fair value through profit or loss are carried at amortised cost. The fair value of the financial assets and liabilities approximates their carrying value as stated in the separate and consolidated statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Parent and Consolidated			
	Level 1	**Level 2**	**Level 3**	**Total**
31 December 2023	**RO**	**RO**	**RO**	**RO**
Financial assets at FVTPL	**2,918,437**	**-**	**267,300**	**3,185,737**
	2,918,437	**-**	**267,300**	**3,185,737**
31 December 2022				
Financial assets at FVTPL	3,149,811	-	267,300	3,417,111
	3,149,811	-	267,300	3,417,111

There were no transfers between the levels during the year (2022: no transfer).

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

44. Related party transactions and balances

Related parties include the shareholders, key management personnel, subsidiaries, associates of the Parent Company and the entities in which certain directors and key management personnel of the Group have an interest. The Group has entered into transactions with its executive officers, directors, subsidiaries, associates and entities in which certain directors of the Group have an interest. In the ordinary course of business, the Group sells goods to related parties and purchases goods from, occupies the premises of and receives services from related parties. These transactions are entered into at mutually agreed terms and conditions.

Amounts due from related parties at the end of the reporting year are as follows:

44 (a) Due from related parties (trading receivables):	**Parent**		**Consolidated**	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Associate Company:				
Mukalla Raysut for Manfacturing and Trading Company Limited	**1,240,153**	546,179	**1,240,153**	546,179
Less: Allowance for impairment	**(14,454)**	(6,366)	**(14,454)**	(6,366)
Related parties:				
Raysut Maldives	**22,229**	21,322	**-**	-
Less: Allowance for impairment	**(22,229)**	(21,322)	-	-
Raysut Madagascar	**1,724,998**	1,754,031	**-**	-
Less: Allowance for impairment	**(1,724,998)**	(1,754,031)	-	-
RCC Trading DMCC	**10,580,115**	10,580,115	**10,580,115**	10,580,115
Less: Allowance for impairment	**(10,580,115)**	(10,580,115)	**(10,580,115)**	(10,580,115)
	1,225,699	539,813	**1,225,699**	539,813

44 (b) Due from related parties (other receivables):	**Parent**		**Consolidated**	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Related parties:				
Raysea Navigation S.A	**2,322,719**	2,326,571	**2,322,719**	2,326,571
Less: Allowance for impairment	**(2,322,719)**	(2,326,571)	**(2,322,719)**	(2,326,571)
Sohar Cement Factory SPC	**470,964**	-	**-**	-
Less: Allowance for impairment	**(5,489)**	-	**-**	-
Raysut Burwaqo Cement Co. LLC	**-**	1,100	**-**	-
Less: Allowance for impairment	**-**	(13)	**-**	-
RCC Trading DMCC	**10,475,564**	10,480,824	**10,475,564**	10,480,824
Less: Allowance for impairment	**(10,475,564)**	(10,480,824)	**(10,475,564)**	(10,480,824)
RCC Holding Company	**78,208**	78,208	**78,208**	78,208
Less: Allowance for impairment	**(78,208)**	(78,208)	**(78,208)**	(78,208)
RCC MSG Somaliland	**32,963**	32,963	**32,963**	32,963
Less: Allowance for impairment	**(32,963)**	(32,963)	**(32,963)**	(32,963)
Duqm Cement Factory LLC	**6,387,888**	5,968,019	**-**	-
Less: Allowance for impairment	**(5,412,475)**	(5,407,581)	**-**	-
Associate Company:				
Mukalla Raysut for Manfacturing and Trading Company Limited	**2,895,178**	2,895,178	**2,895,178**	2,895,178
Less: Allowance for impairment	**(2,895,178)**	(2,895,178)	**(2,895,178)**	(2,895,178)
	1,440,888	561,525	**-**	-

Amounts due to related parties at the end of the reporting year are as follows:

44 (c) Due to related parties:	**Parent**		**Consolidated**	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Subsidiary Companies:				
Pioneer Cement Industries	**5,156,768**	6,634,070	**-**	-
Raysut Burwaqo Cement Co. LLC	**144,191**	**-**	**-**	**-**
Sohar Cement Factory SPC	**-**	1,799,580	**-**	-
	5,300,959	8,433,650	**-**	-

Amounts due from/due to related parties are unsecured, interest free and have no fixed repayment terms.

44 (d) The following transactions were carried out with related parties:	**Parent**		**Consolidated**	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
Sale of goods and services:	**RO**	RO	**RO**	RO
Subsidiary Companies:				
Raysut Maldives Cement (Pvt) Ltd	**1,217,690**	1,941,320	**-**	-
Associate Company:				
Mukalla Raysut for Manfacturing and Trading Company Limited	**5,392,599**	2,862,573	**5,392,599**	2,862,573
	6,610,289	4,803,893	**5,392,599**	2,862,573

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

44. Related party transactions and balances (continued)

44 (d) The following transactions were carried out with related parties: (continued)

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Entities related to directors:				
Galfar Engineering and Contracting S.A.O.G	**17,461**	-	**17,461**	-
Galfar Aspire Readymix LLC	**173,995**	-	**173,995**	-
	191,456	-	**191,456**	-
Purchase of goods and services:				
Entities related to directors:				
Qabas International LLC	**-**	316,925	**-**	316,925
Galfar Gases LLC	**7,829**	-	**7,829**	-
Dhofar Insurance Company S.A.O.G	**1,167,686**	-	**1,199,969**	-
Gerhard Hugo Hirth	**-**	31,044	**-**	31,044
Subsidiary Companies:				
Sohar Cement Factory SPC	**-**	124,060	**-**	-
	1,175,515	472,029	**1,207,798**	347,969

44 (e) Key management compensation:

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Board sitting fees [note 32]	**50,000**	85,000	**50,000**	85,000
Directors' travelling allowance [note 32]	**4,424**	-	**4,424**	-
Directors' remuneration [note 32]	**150,000**	-	**150,000**	66,025
	204,424	85,000	**204,424**	151,025
Salaries, allowances and performance bonus paid to Executive officers	**361,380**	362,053	**361,380**	362,053
End of service benefits	**16,359**	30,367	**16,359**	30,367
	377,739	392,420	**377,739**	392,420

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

45. Segment information

The Group has adopted 'IFRS 8 Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has only one business segment. Segment information was, accordingly, presented in respect of Group's geographical segments, which were based on management's reporting structure. Adoption of IFRS 8, therefore, has not resulted in re-designation of its reportable segments.

The Group sells its products primarily in two geographical areas, namely Sultanate of Oman (local) and Yemen and other Gulf Co-operation Council ("GCC"), Africa (exports). Information comprising segment revenue, results and the related receivables are based on geographical location of customers.

	Local		Export		Total	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
Parent	**RO**	RO	**RO**	RO	**RO**	RO
Segment revenue	**16,273,500**	15,707,854	**21,193,078**	29,655,492	**37,466,578**	45,363,346
Segment gross profit / (loss)	**11,971,831**	3,808,987	**(2,068,073)**	649,300	**9,903,758**	4,458,287
Selling and distribution expenses	**(1,767,460)**	(1,564,196)	**(1,882,982)**	(6,089,353)	**(3,650,442)**	(7,653,549)
Unallocated costs	**-**	-	**-**	-	**(10,629,455)**	(39,003,995)
Other income	**-**	-	**-**	-	**1,892,204**	186,817
Impairment loss of investment in subsidiary	**-**	-	**-**	-	**-**	(52,522,928)
Impairment against financial assets at fair value through OCI	**-**	-	**-**	-	**-**	(125,000)
Dividend income from financial assets at fair value through profit or loss	**-**	-	**-**	-	**96,014**	44,405
Dividend income from a subsidiary	**-**	-	**-**	-	**-**	-
Impairment of investment in an associate	**-**	-	**-**	-	**-**	-
Fair value gain on financial assets at fair value through profit or loss	**-**	-	**-**	-	**(231,374)**	854,495
Profit / (loss) before tax	**10,204,371**	2,244,791	**(3,951,056)**	(5,440,053)	**(2,619,296)**	(93,761,468)
Segment assets, comprising trade receivables and related parties	**2,573,886**	2,744,815	**23,323,332**	22,228,551	**25,897,217**	24,973,366

Noted to the Separate and consolidated financial statement for the year ended 31 December 2023

45. Segment information (continued)

	Local		Export		Total	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
Consolidated	**RO**	RO	**RO**	RO	**RO**	RO
Segment revenue	**45,567,531**	35,642,860	**19,975,388**	33,436,477	**65,542,919**	69,079,337
Segment gross profit / (loss)	**13,628,427**	645,522	**(1,614,226)**	1,041,334	**12,014,201**	1,686,856
Selling and distribution expenses	**(2,164,171)**	(3,634,724)	**(2,363,996)**	(10,126,890)	**(4,528,167)**	(13,761,614)
Unallocated costs	**-**	-	**-**	-	**(14,542,628)**	(44,272,301)
Other income	**-**	-	**-**	-	**2,247,197**	5,589,986
FVTPL dividend income	**-**	-	**-**	-	**96,014**	44,405
Share of loss in an associate	**-**	-	**-**	-	**-**	(45,798,586)
Impairment loss against carrying value of assets	**-**	-	**-**	-	**-**	(6,724,342)
FVOCI impairment	**-**	-	**-**	-	**-**	(125,000)
Adjustment on deconsolidation of subsidiary	**-**	-	**-**	-	**-**	4,877,835
Fair value gain on financial assets at fair value through profit or loss	**-**	-	**-**	-	**(231,374)**	854,495
Profit / (loss) before tax	**11,464,256**	(2,989,202)	**(3,978,222)**	(9,085,556)	**(4,944,757)**	(97,628,266)
Segment assets, comprising trade receivables and related parties	**5,162,728**	14,401,519	**25,669,813**	12,540,474	**30,832,541**	26,941,993

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year. No assets and liabilities, other than trade receivables, are allocated to the reportable segments for the purpose of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker.

Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	Parent		Consolidated	
	31-Dec-2023	31-Dec-2022	**31-Dec-2023**	31-Dec-2022
	RO	RO	**RO**	RO
Ordinary Portland Cement (OPC)	**26,785,113**	19,937,896	**37,797,501**	38,720,099
Portland Limestone Cement (PLC)	**4,898,412**	15,229,387	**13,820,534**	13,956,101
Others (OWC, SRC, CE/NF & Pozmix)	**4,259,043**	7,928,021	**12,746,307**	14,135,095
Clinker	**1,524,010**	2,268,042	**1,178,577**	2,268,042
	37,466,578	45,363,346	**65,542,919**	69,079,337

Information about major customers

The Group's revenue includes sales to top 10 customers amounting to RO 25.7 million (2022: RO 27.9 million). The Parent Company's revenue includes sales to top 10 customers amounting to RO 25.7 million (2022: RO 27.9 million).

46. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

47. Comparative figures

During the year ended 31 December 2023, Management discovered that certain comparative figures for previous years in Sohar Cement Factory SPC had not been classified correctly under consolidated statement of profit or loss and other comprehensive income, additions in property plant equipment and classification between trade payables and trade receivables. The classification of prior year comparative numbers has been rectified by restating each relevant line item in the consolidated financial statements in accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

	As previously reported	Adjustments/ reclassifications	As restated
Consolidated statement of financial position	RO	RO	RO
At 1 January 2023			
Property, plant and equipment	**107,338,962**	**17,854**	**107,356,816**
Trade and other receivables	**5,905,686**	**1,450,684**	**7,356,370**
Cash and bank	**1,289,617**	**1,393**	**1,291,010**
Trade and other payables	**32,327,951**	**1,460,278**	**33,788,229**
Consolidated statement of changes in equity			
Accumulated losses	**33,859,237**	**9,654**	**33,849,583**
Consolidated statement of comprehensive income			
Revenue	**69,044,589**	**34,748**	**69,079,337**
Cost of sales	**67,299,214**	**35,438**	**67,263,776**
General and administrative expenses	**42,266,682**	**(32,416)**	**42,299,098**
Other income	**10,503,518**	**(35,697)**	**10,467,821**
Finance cost - net	**4,024,388**	**(1,892)**	**4,026,280**

48. Approval of separate and consolidated financial statements

These separate and consolidated financial statements were approved by the Board of Directors and authorized for issue on 29 February 2024.