His Majesty Sultan Haitham bin Tarik

شركة ريسوت للإسمنت
Raysut Cement Company

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Made in Oman

We Guarantee Quality
ملتزمون بالجودة

OUR NETWORK
شبــــــــكتنا

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.

Dr. Hilal Saif Al Dhamri
Acting Chief Executive Officer

Auditors

PriceWaterHouseCoopers LLC

Bankers

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

Board of Directors reconstituted by Financial Services Authority effective from 5th May 2024

Name of the Director	Designation
Shabib Mohammed Saif Al Darmaki	Chairman of the Board of Directors
Nasser Juma Al Zadjali	Vice Chairman of the Board of Directors
Abdul Hamid Ahmed Al Balushi	Board Member
Ali Rashid Al Shehhi	Board Member
Bader Awad Al Shanfari	Board Member

Board of Directors elected on 16th March 2025

Name of the Director	Designation
Jamal Shamis Saud Al Hooti	Chairman of the Board of Directors
Khalid Masud Ansari	Vice Chairman of the Board of Directors
Ms. Asma Ali Ramadhan Al Zadjali	Board Member
Abdullah Mohammed Musallam Al Abri	Board Member
Ahmed Mohammed Abdullah Al Bahar Al Rawas	Board Member
Ali Abdullah Ali Al Zadjali	Board Member
Saeed Hamed Saeed Binwaqish Al Dhaheri	Board Member
Rashed Mohammed Al Kaabi	Board Member
Khalil Fadhl Khalil Al Mansoori	Board Member

Contents

1 Board of Directors' report

For the year ended 31 December 2024

To the esteemed shareholders

The Board of Directors of Raysut Cement Company SAOG are pleased to welcome you all to the 44th Annual General Meeting of your Company and present the financial results of the Raysut Cement ('the Parent Company') and its Group companies (the Group').

The Board of Directors of Raysut Cement Company SAOG ("RCC") confirms that the current Board was elected and assumed its duties on 16 March 2025, following the conclusion of the financial year ended 31 December 2024.

Accordingly, the current Board members were not in office during the financial year 2024 and did not participate in the operational or financial decision-making during that period for RCC, its subsidiaries, or associates.

In line with its responsibilities under the Commercial Companies Law and in adherence to the Financial Services Authority's guidance, the Board has reviewed the audited financial statements, the Directors' Report, and the Corporate Governance Report for the year ended 31 December 2024. The Board has relied on the assurance provided by the independent external auditors and executive management as to the completeness and fairness of these reports and hereby approves the financial statements for submission to the shareholders.

This statement is issued in the spirit of transparency, accountability, and responsible governance.

As you are aware the previous Board appointed by our regulator, Financial Services Authority, completed its tenure on 16th March 2025. The current Board want to build on the numerous initiatives undertaken by the previous Board and move forward to establish a sustainable business for the Group. The total net losses of the Group during the years 2023 and 2024 was RO 24.06 million (Parent : RO 15.79 million).

Immediately after our appointment the Board has identified five strategic priorities as an immediate recovery plan for the Group to strengthen its financial position :

1. **Resolution of Legacy Issues** – This includes resolving all outstanding debts and the ongoing legal cases that have affected the Company's performance and reputation.
2. **Restructuring the Organization structure** – This includes building a lean, professional structure led by qualified individuals with relevant industry experience to improve overall management efficiency.
3. **Enhancing Operational Performance** – Focusing on profitability, efficiency, productivity, and manpower rationalization to optimize resource allocation and strengthen our competitive position.
4. **Enforcing Corporate Governance** – Ensuring robust compliance and governance practices across all levels of the group in line with regulatory and stakeholder expectations.
5. **Strengthening Cash Flow Management** – Prioritizing liquidity planning and prudent financial controls to effectively manage the Group's cash flows over the next twelve months.

Our target is to close out all the above by 31 December 2025, so that we start the year 2026 with a clear strategy of profitability. We are confident that with a focused approach and collaborative effort of all the stakeholders: the Government entities and Regulators, Banks, Employees, Customers, Suppliers and the Shareholders, Raysut Cement Group will be well positioned to navigate its current challenges and achieve sustainable business for the future.

Review of the Performance during the year 2024:

Despite severe challenges the Raysut Cement Group continued its operations and managed its cash flows.

Financial Performance

Key financial highlights for the year 2024 include:

- Revenue: The Parent Company's revenue was RO 38.43 million (2023: RO 37.47 million), while consolidated revenue was RO 70.27 million (2023: RO 65.54 million).
- Gross Profit: Gross profit was RO 5.16 million at the Parent level (2023: RO 4.42 million) and RO 5.63 million at the Group level (2023: RO 6.39 million).
- Net loss: The Parent Company posted a net loss of RO 7.59 million (2023: RO 8.20 million), while the Group's net loss was RO 12.98 million (2023: RO 11.08 million).
- Cash flows: The Parent Company generated net cash of RO 1.125 million (2023: RO -0.147 million), while the Group generated cash of RO 1.071 million (2023: RO 0.028 million).
- The net assets of the Group at 31 December 2024 was RO 9.49 million and the net assets per share was RO 0.043
- The total net losses of the Group during the years 2023 and 2024 was RO 24.06 million (Parent : RO 15.79 million)

Operations and Business Review

Our primary markets are Dhofar, Al Wusta, and North Oman, while our export markets include Yemen, the Maldives, and Eastern Africa. For consolidated Group sales, North Oman and the UAE are also significant contributors.

- **Domestic Sales Volumes:** In 2024, the local market experienced growth, with Parent sales volumes increased to 0.654 million MT (2023: 0.629 million MT), and Group consolidated sales stood at 2.472 million MT (2023: 2.141 million MT).
- **Export Sales Volumes:** In 2024, the export market slightly improved, with Parent sales volumes increasing to 1.293 million MT (2023: 1.119 million MT), and Group consolidated sales increased to 1.235 million MT (2023: 1.058 million MT).
- The Group's annual clinker and cement production capacity is MT 3.47 million and 5.70 million Mt respectively. The Parent Company's annual clinker and cement production capacity is 2.145 MT and 3 million MT respectively.

The market continues to face challenges, including overcapacity in neighboring cement markets,resulting in excess supply and downward pressure on prices in Oman. Export markets remain vital, but are impacted by regional political instability, foreign exchange fluctuations, logistics constraints, and intense competition from Asian producers.

Corporate Governance and Compliance

The current Board of Directors are committed to upholding the highest standards of corporate governance. Key governance actions included:

- **Board Oversight:** Regular review of the Company's strategic direction, risk management, and financial performance.
- **Audit Committee:** Oversight of financial reporting, internal controls, and risk management processes.
- **Transparency:** Timely and accurate disclosures to shareholders and regulatory authorities.

Risk Management

The Group recognizes the importance of robust risk management. Key risks identified during the year included market volatility, regulatory changes, and operational challenges. The Board and management have implemented appropriate measures to mitigate these risks and would continue to those measures.

Outlook

Looking ahead, the Board remains optimistic. The Group during the remaining months of 2025 will focus on the 5 strategic priorities as set out above.

Acknowledgments:

We would like to thank our Shareholders, not only for their confidence, but also for the support.

We express our gratitude to the Financial Services Authority, the Government Entities and the Government of Oman for the continuous support. We also thank our customers, our banks, our suppliers and all our employees for their loyalty, contributions, commitment, and continued support for the overall success of the company.

Finally, we extend our sincere thanks and gratitude to His Majesty Sultan Haitham bin Tarik for his wise leadership and his wise government for their continuous support and guidance. We pray to Almighty Allah to bless him with good health and long life.

Khalid Masud Ansari
Vice 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, 2024. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

FINANCIAL RESULTS

Net Loss of the Group has increased due to the material provision impact has been accounted for in current year.

During the year the group performance is detailed below:

Revenue	**2024**	2023
	RO in Million	
Raysut Cement Company S.A.O.G (Parent)	**38.43**	37.47
Pioneer Cement Industries SPC	**17.66**	18.24
Sohar Cement Factory SPC	**13.56**	15.47
Raysut Maldives Cement Pvt. Ltd	**2.64**	2.98
Inter- company sales	**(2.02)**	(8.62)
Total consolidated revenue	**70.27**	65.54
Increase in revenue: 7.22%		

	2024	2023
Sales Volume: Cement and Clinker:	**Million Tons**	
Raysut Cement Company S.A.O.G (Parent)	**1.95**	1.75
Pioneer Cement Industries SPC	**1.11**	1.14
Sohar Cement Factory SPC	**0.73**	0.78
Raysut Maldives Cement Pvt. Ltd	**0.06**	0.06
Inter- company sales	**(0.13)**	(0.53)
Total consolidated sales quantity	**3.72**	3.20
Increase in sales quantity: 16.25%		

Profit:

Gross profit for the group stood at RO 5.63 million (LY: RO 6.39 million).

Operating loss for the group stood at RO 6.90 million (LY: loss RO 4.55 million).

Loss Before Tax during the year stood at RO 12.88 million (LY: loss RO 10.95 million).

Loss after Tax stood at RO 12.98 million (LY: loss RO 11.08 million).

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

R.O' Million

	2024	2023	2022	2021	2020
Sales	**70.27**	65.54	69.07	93.60	90.38
Operating profit / (loss)	**(6.90)**	(4.55)	(41.85)	(10.55)	(15.89)
Cash profit / (loss)	**2.57**	3.17	(12.18)	(6.34)	(5.80)
PBT	**(12.88)**	(10.95)	(97.63)	(14.11)	(19.99)
PAT	**(12.98)**	(11.08)	(97.63)	(13.58)	(18.28)
Equity & Reserve	**9.49**	3.08	16.61	114.24	127.86
Loans	**44.94**	48.57	46.61	43.82	39.77
Cash EPS RO	**0.01**	0.02	(0.06)	(0.03)	(0.03)
EPS RO	**(0.07)**	(0.06)	(0.05)	(0.07)	(0.09)
Dividend %	**-**	-	-	-	-
Production MT '000					
Clinker	**2,687**	3,144	3,004	3,104	3,599
Cement	**3,595**	3,090	3,160	3,799	4,110
Sales MT '000					
Cement	**3,590**	3,085	3,157	3,560	4,031
Clinker	**118**	115	269	328	640

PRODUCTION

The productions of Cement and Clinker stood at as below:

	Cement (in '000MT)		**Clinker (in "000 MT)**	
	2024	2023	**2024**	2023
Parent Company	**1,838**	1,668	**1,866**	1,986
Pioneer Cement	**1,023**	637	**821**	1,158
Sohar Cement	**734**	785	**-**	-
Consolidated	**3,595**	3,090	**2,687**	3,144

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.

Dr. Hilal Saif Al Dhamri
Acting Chief Executive Officer

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Agreed-upon procedures report on factual findings in connection with the Corporate Governance report

To the Board of Directors of Raysut Cement Company SAOG

Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting the directors of Raysut Cement Company SAOG (the "Company") in determining whether their Corporate Governance Report is in compliance with the Code of Corporate Governance (the "Code") of the Financial Services Authority of the Sultanate of Oman ("FSA"), as prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 (together the "Governance Code") and may not be suitable for another purpose.

Responsibilities of the directors

The directors of the Company have prepared the Corporate Governance Report ("the Report") and remain solely responsible for it and are also responsible for identifying and ensuring that the contents of the Report comply with the Code. The directors are also responsible for determining that the scope of the agreed-upon procedures is appropriate and sufficient for the purposes of the engagement.

Our Responsibilities

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

This agreed-upon procedure engagement is not an audit or assurance engagement made in accordance with generally accepted auditing or assurance standards, the objective of which would be the expression of assurance on the contents of the Report. Accordingly, we do not express such assurance.

Had we performed additional procedures, or had we performed an audit or assurance engagement on the Report, 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 requirements, including International Independence Standards, in the International Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethical Standards Board for Accountants.

We apply the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed with the Company in the terms of our engagement letter dated 25 December 2024, on the compliance of the Report with the Code for the year ended 31 December 2024.

No.	Procedures	Findings
(a)	We obtained the Corporate Governance Report issued by the Board of Directors and compared its contents to the minimum requirements of the FSA as set out in Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details of the areas of non-compliance with the Code identified by the Company, as set out in its Board minutes and in its non-compliance checklist, and compared these with those included in the Report in the section "Details of non-compliance and penalties, together with the reasons for such non-compliance for the year ended 31 December 2024". Additionally, we obtained written representations from the directors that there were no areas of non-compliance with the Code for the year ended 31 December 2024, of which they were aware.	No exceptions noted.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose.

This report relates only to the accompanying Corporate Governance Report of the Company to be included in its annual report for the year ended 31 December 2024 and does not extend to the Company's financial statements taken as a whole.

PricewaterhouseCoopers

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C.R. No 1230865
PricewaterhouseCoopers LLC

Muscat, Sultanate of Oman
6 July 2025

3 Corporate Governance Report

for the Financial Year 2024

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 Company SAOG 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, RCC 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 2022, the Financial Services Authority (FSA) dissolved the 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). In 2024, the Board of Directors of the Company was reconstituted based on Administrative Decision No. (27/2024).

The previous Board of Directors of the Company consisted of five Directors and the new Board appointed by FSA consists of five Directors. All the present Directors are Independent and Non-Executive Directors. As per requirement of the Financial Services Authority Regulation 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 the composition and categories of Directors are given below:

Composition of the Board of Directors from 1 January 2024 to 5 May 2024 as appointed by FSA:

	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 (upto 15th Feb)	Director	Non-Executive and Independent/In personal capacity
6	Mr. Shabib Mohammed Saif Al Darmaki (15th Feb to 5th May)	Director	Non-Executive and Independent/In personal capacity

Board of Directors reconstituted by Financial Services Authority effective from 5th May 2024.

	Name of the Director	Designate	Category, basis & capacity of membership
1	Mr. Shabib Mohammed Saif Al Darmaki	Chairman	Non-Executive and Independent/In personal capacity
2	Mr. Nasser Juma Al Zadjali	Vice Chairman	Non-Executive and Independent/ In personal capacity
3	Mr. Abdul Hamid Ahmed Al Balushi	Director	Non-Executive and Independent/ In personal capacity
4	Mr. Ali Rashid Al Shehhi	Director	Non-Executive and Independent/In personal capacity
5	Mr. Bader Awad Al Shanfari	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 Acting 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 2024, the Board of Directors met 11 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	29-02-2024	5	5
2nd meeting	12-03-2024	5	5
The new Board appointed by Financial Services Authority			
3rd meeting	07-05-2024	5	4
4th meeting	11-05-2024	5	5
5th meeting	14-05-2024	5	5
6th meeting	02-08-2024	5	5
7th meeting	22-08-2024	5	5
8th meeting	02-10-2024	5	5
9th meeting	09-11-2024	5	5
10th meeting	05-12-2024	5	5
11th meeting	29-12-2024	5	4

Audit Committee Meetings

The details of the Audit Committee Meetings held during the financial year 2024:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	25/02/2024	3	3
2nd meeting	07/03/2024	3	2
3rd meeting	02/05/2024	3	3
The Audit committee established after Reconstitution of the new Board by Financial services Authority			
4th meeting	11/05/2024	3	3
5th meeting	01/06/2024	3	3
6th meeting	04/06/2024	3	2
7th meeting	08/06/2024	3	3
8th meeting	27/07/2024	3	3
9th meeting	02/08/2024	3	3
10th meeting	07/09/2024	3	3
11th meeting	09/11/2024	3	3

Executive, Nomination and Remuneration Committee Meetings

The details of the Executive, Nominations and Remuneration Committee Meetings held during the financial year 2024:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	27/03/2024	3	3
The Executive, Nomination and Remuneration Committee established by the new Board appointed be Financial services Authority			
2nd meeting	30/09/2024	3	3
3rd meeting	21/10/2024	3	3
4th meeting	18/11/2024	3	3
5th meeting	03-18-2024	3	2
6th meeting	18-12-2024	3	2

The details of attendance of each Director at the Board and its Committees meetings held during the financial year 2024:

	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	2	-	1
2	Mr. Majid Sultan Said Al Toky	2	-	1
3	Mr. Ahmed Saud Said Al Zakwany	2	3	-
4	Dr. Ali Amor Ali Al Gheithy	2	2	1
5	Mr. Mubeen Jaleel Khan	-	-	-
6	Mr. Shabib Mohammed Saif Al Darmaki	2	3	
The new Board appointed by Financial services Authority				
7	Mr. Shabib Mohammed Saif Al Darmaki	9	7	5
8	Mr. Nasser Juma Al Zadjali	9	-	3
9	Mr. Abdul Hamid Ahmed Al Balushi	9	7	5
10	Mr. Ali Rashid Al Shehhi	8	8	-
11	Mr. Bader Awad Al Shanfari	8	8	-

Details of attendance of each Director at the Board meetings held during the financial year 2024:

	Name	Meeting Number & Dates of the meeting										
		1	2	3	4	5	6	7	8	9	10	11
		Feb 29	Mar 12	May 07	May 11	May 14	Aug 02	Aug 22	Oct 02	Nov 09	Dec 05	Dec 29
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	-	-	-	-	-	-	-	-	-	-	-
6	Mr. Shabib Mohammed Saif Al Darmaki	✓	✓									
The new Board appointed by Financial services Authority												
1	Mr. Shabib Mohammed Saif Al Darmaki			✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Nasser Juma Al Zadjali	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Abdul Hamid Ahmed Al Balushi	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Ali Rashid Al Shehhi	-	-	✓	✓	✓	✓	✓	✓	✓	✓	
5	Mr. Bader Awad Al Shanfari	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓

The details of attendance of director at the Audit Committee Meetings held during the year 2024**:**

		Meeting Number and Date of the meeting										
		1	2	3	4	5	6	7	8	9	10	11
		Feb 25	Mar 07	May 02	May 11	Jun 01	Jun 04	Jun 08	Jul 27	Aug 02	Sep 07	Nov 09
1	Mr. Ahmed Saud Said Al Zakwany	✓	✓	✓	-	-	-	-	-	-	-	-
2	Dr. Ali Amor Ali Al Gheithy	✓	✓	✓	-	-	-	-	-	-	-	-
3	Mr. Mubeen Jaleel Khan	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Shabib Mohammed Saif Al Darmaki	✓	✓	✓	-	-	-	-	-	-	-	-
The Audit Committee established by the new Board appointed by Financial services Authority												
1	Mr. Bader Awad Al Shanfari				✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Abdul Hamid Ahmed Al Balushi				✓	✓	-	✓	✓	✓	✓	✓
3	Mr. Ali Rashid Al Shehhi				✓	✓	✓	✓	✓	✓	✓	✓

The details of attendance of director at the Executive Nominations and Remuneration Committee Meetings held during the financial year 2024:

	Meeting Number and Date of the meeting						
		1	2	3	4	5	6
		Mar 27	Sep 30	Oct 21	Nov 18	Dec 03	Dec 18
1	Mr. Majid Sultan Said Al Toky	✓	-	-	-	-	-
2	Mr. Hamdan Ahmed Hamood Alshaqsi	✓	-	-	-	-	-
3	Dr. Ali Amor Ali Al Gheithy	✓	-	-	-	-	-
The Executive Nominations and Remuneration Committee Meetings From the new Board appointed by Financial services Authority							
1	Mr. Shabib Mohammed Saif Al Darmaki		✓	✓	✓	✓	✓
2	Mr. Nasser Juma Al Zadjali		✓	✓	✓	✓	✓
3	Mr. Abdul Hamid Ahmed Al Balushi		✓	✓	✓	✓	✓

The Annual General Meeting for the year 2024 is scheduled to be held on 26 June 2025.

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 comprises the following Non-Executive Independent Directors:

Composition of the Management Audit Committee from 1st January 2024 to 5th May 15, 2024:

Mr. Ahmed Saud Said Al Zakwany (Up to 5th May 2024)	**Chairman**
Mr. Mubeen Jaleel Khan (Up to 15th Feb 2024)	**Member**
Dr. Ali Amor Ali Al Gheithy (Up to 5th May 2024)	**Member**
Mr. Shabib Mohammed Saif Al Darmaki (15th Feb 2024 to 5th May 2024)	**Member**

Composition of the Reconstituted Audit Committee from 5th May 2024 to 31st Dec 2024:

Mr. Bader Awad Al Shanfari	Chairman
Mr. Nasser Juma Al Zadjali	Member
Mr. Abdul Hamid Ahmed Al Balushi	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 executive management and to assist the company in formulating clear, credible, and accessible policies 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 Al Gheity	Member

The new Executive, Nominations and Remuneration Committee was reconstituted by Financial Services as of 5th May, 2024:

Mr. Shabib Mohammed Saif Al Darmaki	Chairman
Mr. Nasser Juma Al Zadjali	Member
Mr. Abdul Hamid Ahmed Al Balushi	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 2024, the Directors were paid a total sum of RO 62,000 towards sitting fee for attending various board meetings, audit committee meetings, executive committee meeting and nomination and remuneration committee meeting as compared to RO 50,000 in 2023.

Name	Sitting fee RO
Mr. Hamdan Ahmed Hamood Al Shaqsi	2,500
Mr. Majid Sultan Said Al Toky	2,500
Mr. Ali Amor Ali Al Gheithy	3,500
Mr. Ahmed Saud Said Al Zakwany	3,500
The new Board appointed by financial services	
Mr. Shabib Mohammed Saif Al Darmaki	10,000
Mr. Nasser Juma Al Zadjali	10,000
Mr. Bader Awad Al Shanfari	10,000
Mr. Abdul Hamid Ahmed Al Balushi	10,000
Mr. Bader Awad Al Shanfari	10,000
Total	**62,000**

In addition to the above, the Company has made a provision of RO 150,000 (2023: RO 150,000) as per the FSA approval for Directors Remuneration for the current year.

Remuneration for the top 5 employees of the company for 2024 including salary, allowances, benefits and other expenditures amount to RO 215,946 (2023 - RO 227,889)

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 formal appraisal of the Board was carried out relating to the year 2024.

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 Board is appointed by the Financial Services Authority effective on 11th December 2022 for the period of three year and on 05th May 2024 the regulator issued a resolution (27/2024) to reconstitute the Board of the Company.

12. Means of Communication:

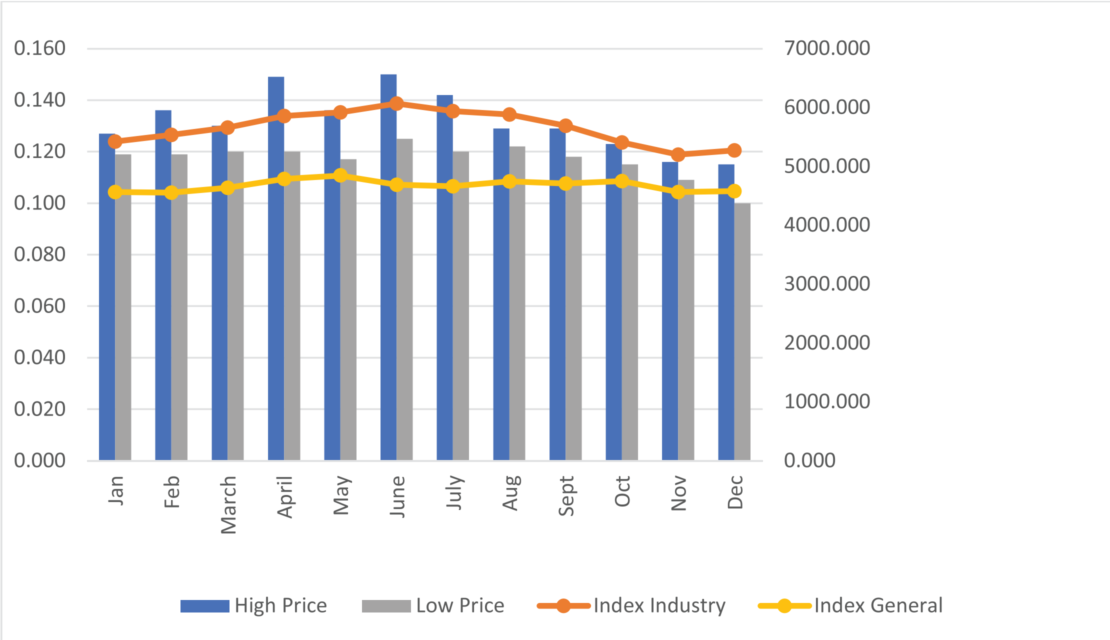
Annual financial statements and invitation to attend the annual general meeting to be sent by post to the shareholders according to their registered addresses. Annual, Quarterly and half yearly results were published in local newspapers as per the guidelines of FSA and Muscat Securities Market.

Financials were also posted on the web site of Muscat Securities Market. Chairman Report and 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 the financial year 2024 are as follows:

Period	Traded		Price (RO)	
	Shares	Value (RO)	High	Low
January 2024	1,753,229	214,598	0.127	0.119
February 2024	2,676,179	337,167	0.136	0.119
March 2024	3,379,547	416,180	0.130	0.120
April 2024	7,854,567	1,046,400	0.149	0.120
May 2024	7,989,716	1,013,634	0.136	0.117
June 2024	3,781,836	531,024	0.150	0.125
July 2024	542,659	72,197	0.142	0.120
August 2024	510,271	63,890	0.129	0.122
September 2024	892,968	108,768	0.129	0.118
October 2024	544,945	63,818	0.123	0.115
November 2024	590,130	66,675	0.116	0.109
December 2024	662,235	69,618	0.115	0.100



14. Distribution of shareholding:

The following are the major shareholders who own more than 5% of the outstanding shares as at 31 December 2024:

S. No	Name of shareholders	Shareholding %
1.	Abu Dhabi Fund for Development	15.00
2.	Social Protection Fund	14.97
3.	Islamic Development Bank	11.71
4.	Dolphin International	10.33
5.	Schwenk Cement Nederland B.V.	10.00
6.	Oman Investment Authority	7.32
7.	Sindbad International Trading Company LLC	5.94
Total		75.27

The shareholding distribution of equity shares as on 31 December 2024 is given below:

No. of equity shares	No. of shareholders	No. of shares	Shareholding %
Less than 100,000	1555	14,115,964	7.057%
100,000 to 500,000	72	14,234,711	7.117%
500,001 to 1,000,000	14	10,075,271	5.037%
1,000,001 to 10,000,000	6	25,675,695	12.837%
10,000,001 and above	6	135,898,359	67.949%
TOTAL	**1,653**	**200,000,000**	**100%**

15. Professional Profile of Statutory Auditor:

The Board of Directors of the Company appointed PricewaterhouseCoopers (PwC) as its auditors for the year 2024 which will be ratified at the company's next General Meeting. This appointment is in line with the Financial Services Authority (FSA) decision (8/2024) issued on 25th August 2024, which Suspended the external auditing activities of Abu Timam Grant Thornton, Chartered Accountants, who were approved as the external Auditor of the company by the Shareholder in AGM for the financial year ending 31st December 2024.

About PricewaterhouseCoopers (PwC)

PwC is a network of firms with more than 370,393 people operating from 149 countries in 656 cities across the globe, making us the largest professional services provider in the world. We are committed to delivering quality services in Assurance, Tax and Advisory (which includes our Consulting, Deals and Strategy& practices) and Internal Firm Services. In doing so we help to build trust in society, enable our clients to make the most of opportunities and solve important business problems.

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs in the region of almost 12,000 people including over 499 partners and 766 directors working from 30 offices (in 22 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates and 41% of our Middle East workforce is female. We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East. (www.pwc.com/me).

PwC is strongly committed to Oman where we are recognized as one of the leading providers of quality business advisory services. We have had a local practice in Oman since 1971 and now have 9 partners, 1 of whom is Omani and 5 directors and approximately 144 members of staff operating from our office in Muscat.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

PwC billed an amount of RO 215,000 towards professional services rendered to the Company for the year 2024 (2023: RO 41,450 for audit).

16. Subsequent election of Board of Directors:

Shareholders in the Ordinary General Meeting dated 16th March 2025 elected the new Board of Directors.

Composition of the new Board of Directors after election from 16th March 2025:

Name	Designation
Mr. Jamal Shamis Saud Al Hooti	Chairman of the Board of Directors
Mr. Khalid Masud Ansari	Vice Chairman of the Board of Directors
Ms. Asma Ali Ramadhan Al Zadjali	Board of Director
Mr. Abdullah Mohammed Musallam Al Abri	Board of Director
Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	Board of Director
Engr. Ali Abdullah Ali Al Zadjali	Board of Director
Mr. Saeed Hamed Saeed Binwaqish Al Dhaheri	Board of Director
Mr. Rashed Mohammed Al Kaabi	Board of Director
Mr. Khalil Fadhl Khalil Al Mansoori	Board of Director

Formation of the new Audit Committee from 26th March, 2025:

Name	Designation
Ms. Asma Ali Ramadhan Al Zadjali	Audit Committee Chairperson
Mr. Khalid Masud Ansari	Board of Director
Mr. Abdullah Mohammed Musallam Al Abri	Board of Director
Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	Board of Director
Mr. Khalil Fadhl Khalil Al Mansoori	Board of Director

Formation of the new Executive, Nomination and Remuneration Committee from 26th March, 2025:

Name	Designation
Engr. Ali Abdullah Ali Al Zadjali	Executive, Nomination and Remuneration Committee Chairman
Mr. Jamal Shamis Saud Al Hooti	Board of Director
Mr. Abdullah Mohammed Musallam Al Abri	Board of Director
Mr. Saeed Hamed Saeed Binwaqish Al Dhaheri	Board of Director
Mr. Rashed Mohammed Al Kaabi	Board of Director

In line with its responsibilities under the Commercial Companies Law and in adherence to the Financial Services Authority's guidance, the Board has reviewed the **audited financial statements**, the **Directors' Report**, and the **Corporate Governance Report** for the year ended 31 December 2024. The Board has relied on the assurance provided by the independent external auditors and executive management as to the completeness and fairness of these reports and hereby **approves** the financial statements for submission to the shareholders.

This statement is issued in the spirit of transparency, accountability, and responsible governance.

Khalid Masud Ansari

Vice Chairman of the Board of Directors

Independent auditor's report to the shareholders of Raysut Cement Company SAOG

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of Raysut Cement Company SAOG (the "Parent Company") and the consolidated financial statements of the Parent Company and its subsidiaries (together, the "Group") present fairly, in all material respects, the respective financial positions of the Parent Company and the Group as at 31 December 2024, and their respective financial performance and their respective cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The financial statements of the Parent Company and the consolidated financial statements of the Group (together "these financial statements") comprise their respective:

- statement of comprehensive income for the year ended 31 December 2024 :
- statement of financial position as at 31 December 2024;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- notes to these financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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 these financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of these financial statements in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Material uncertainty related to going concern

We draw attention to Note 2.1 (c) to the financial statements, which states that the Group incurred a net loss of RO 12,983,332 for the year ended 31 December 2024 and, as of that date, its current liabilities exceeded its current assets by RO 72,464,022 and the Group reported accumulated losses of RO 50,437,695. The Parent Company also incurred a net loss of RO 7,589,831 for the year ended 31 December 2024 and, as of that date, its current liabilities exceeded its current assets by RO 74,504,261 and it reported accumulated losses of RO 51,816,286. Both the Group and the Parent Company's accumulated losses have exceeded 50% of the Parent Company's issued share capital.

In addition, the Group was in breach of financial covenants for bank facilities amounting to RO 8,718,145, which have been classified as current liabilities. Further, the Group and the Parent Company has an overdue balance of RO 48,115,288 with its primary gas supplier at the main plant, with whom negotiations are ongoing for restructuring is liability. The Group's ability to execute its business plan is also highly dependent on achieving certain operational and performance assumptions.

These conditions, along with other matters as disclosed in Note 2.1 (c) indicate the existence of a material uncertainty that may cast a significant doubt on the Parent Company's and the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our audit approach

Overview

Key Audit Matters	• Inventory quantities of raw materials and work in progress • Change in accounting policy – revaluation model for property, plant and equipment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in these financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on these financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which the Group and the Parent Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of these 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 matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the Key audit matter
Inventory quantities of raw materials and work in progress As disclosed in Note 17.7 to these financial statements, the Group holds raw materials inventories amounting to RO 1,721,367 (2023: RO 1,410,794) (mainly limestone, iron ore, shale and gypsum) and work in progress inventories amounting to RO 10,548,610 (2023: RO 11,632,819) (mainly clinker and limestone) which are stored in stockpiles as at 31 December 2024. Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using surveying and other techniques and density. In doing so, management appoints external surveyors to estimate the measurements of the stockpiles and applies the density conversion method which is a commonly used method for similar inventory in the cement industry to arrive at the inventory quantity balances. Due to the significance of the inventory balances and related estimations involved in the determination of the quantities, this is considered a key audit matter. Refer to Note 2.12 to these financial statements for the accounting policy, Note 3 for the critical estimates and judgements and Note 17.7 for the details of inventories.	Our audit procedures performed included the following: • Obtained an overall understanding of the inventory count process and basis of measurement including surveying equipment and conversion methods used towards eventual determination of the inventory quantities; • Attended the physical inventory count performed by the Group and the external surveyors; • Evaluated the competence, capabilities and objectivity of the external surveyors; • Obtained and read the external surveyors' stockpile measurement reports; • Traced, on a sample basis, the inventory count result to and from the external surveyors' reports against the Group's final inventory compilation listings; • Assessed the reasonableness of the density conversion factors applied by management in the density conversion calculation; • Tested the mathematical accuracy of the density conversion calculation used by management to arrive at the quantities on hand at the year-end; and • Assessed the adequacy of the disclosures relating to the inventories in these financial statements.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matters (continued)	How our audit addressed the Key audit matter
Change in accounting policy – revaluation model for property, plant and equipment As at 31 December 2024, the Group changed its accounting policy for measuring property, plant and equipment from the cost model to the revaluation model in accordance with IAS 16 'Property, Plant and Equipment'. This change was applied prospectively and impacted the carrying amounts of 'land', 'building civil works', 'plant and machinery' and 'factory vehicles equipment and tools' value of the property, plant and equipment. The revaluation was based on fair value assessments performed by an external valuation expert, which indicated an uplift in asset values compared to their previous carrying amounts under the cost model. The change in policy was approved by the Directors and supported by management's rationale that the revaluation model provides a more faithful representation of the Group's financial position, aligns with industry practices, and enhances comparability for stakeholders. Accordingly, this was a key audit matter in our audit. Refer to Note 2.14 to these financial statements for the accounting policy, Note 3 for the critical estimates and judgements and Note 17.1 for the details of Property, Plant and Equipment.	Our audit procedures performed included the following: • Evaluating the appropriateness of the change in accounting policy and its compliance with IAS 16 and IAS 8; • Assessing the competence, capabilities, and objectivity of the external valuation expert engaged by management; • Involving our internal valuation specialists to assess the methodology and assumptions used in the valuation reports; • Testing the mathematical accuracy of the revaluation adjustments and their impact on these financial statements; • Reviewing the Directors' approval and supporting documentation for the policy change; and • Evaluating the adequacy of the related disclosures in these financial statements, including the nature and effect of the change in accounting policy and the revaluation reserve.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Other information

The directors are responsible for the other information. The other information comprises the Board of Directors Report, Management's Discussion and Analysis and the Corporate Governance Report (but does not include these financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Groups' Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of these financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with these 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of the directors for these financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, the directors are responsible for assessing the Parent Company and 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 they either intend to liquidate the Parent Company and the Group or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Auditor's responsibilities for the audit of these financial statements

Our objectives are to obtain reasonable assurance about whether these 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 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 these 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 Parent Company's and/or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Parent Company's and/or 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 these 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 Parent Company and/or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of these financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Parent Company and/or the Group as a basis for forming an opinion on these financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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.

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Auditor's responsibilities for the audit of these financial statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of these 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

Further, as required by the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, we report that these financial statements have been prepared and comply, in all material respects, with those requirements and provisions.

PricewaterhouseCoopers

Omar Al Sharif
Muscat, Sultanate of Oman
6 July 2025

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C.R. No 1230865
PricewaterhouseCoopers LLC

PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Parent Company		Consolidated	
		2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Revenue from contracts with customers	6	**38,429,444**	37,466,578	**70,269,059**	65,542,440
Cost of sales	7	**(33,267,437)**	(33,042,732)	**(64,638,058)**	(59,143,988)
Gross profit		**5,162,007**	4,423,846	**5,631,001**	6,398,452
General and administrative expenses	8	**(3,934,062)**	(4,479,222)	**(6,092,708)**	(6,638,525)
Selling and distribution expenses	10	**(3,714,942)**	(3,650,440)	**(4,298,537)**	(4,326,145)
Net impairment loss on financial assets	4.1 (b)	**(585,031)**	(1,687,249)	**(1,200,175)**	(1,909,625)
Impairment loss on property, plant and equipment	17.1	**(311,387)**	-	**(1,208,921)**	-
Impairment loss on investment in subsidiary	17.6	**(102,000)**	-	**-**	-
Other income	11	**7,562**	1,892,203	**265,370**	1,926,870
Operating loss		**(3,477,853)**	(3,500,862)	**(6,903,970)**	(4,548,973)
Finance costs - net	12	**(4,226,140)**	(4,462,985)	**(6,093,049)**	(6,261,210)
Investment income	14	**202,306**	96,014	**202,306**	96,014
Fair value loss on financial assets at FVTPL	16.4	**(88,144)**	(231,374)	**(88,144)**	(231,374)
Loss before tax		**(7,589,831)**	(8,099,207)	**(12,882,857)**	(10,945,543)
Income tax expense	15	**-**	(103,932)	**(100,475)**	(133,093)
Loss for the year		**(7,589,831)**	(8,203,139)	**(12,983,332)**	(11,078,636)
Loss for the year attributable to:					
Equity shareholders of the Parent Company		**(7,589,831)**	(8,203,139)	**(12,958,436)**	(11,169,969)
Non-controlling interest		**-**	-	**(24,896)**	91,333
		(7,589,831)	(8,203,139)	**(12,983,332)**	(11,078,636)
Basic and diluted loss per share	24	**(0.038)**	(0.041)	**(0.065)**	(0.055)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	17.1	**15,716,004**	-	**22,537,916**	-
Deferred tax impact on revaluation of property, plant and equipment	15	**(2,357,401)**	-	**(3,140,902)**	-
		13,358,603	-	**19,397,014**	-
Total comprehensive income for the year		**5,768,772**	(8,203,139)	**6,413,682**	(11,078,636)
Total comprehensive income attributable to:					
Equity shareholders of the Parent Company		**5,768,772**	(8,203,139)	**6,028,570**	(11,169,969)
Non-controlling interest		**-**	-	**385,112**	91,333
		5,768,772	(8,203,139)	**6,413,682**	(11,078,636)

The notes 1 to 29 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

Independent auditor's report - pages 1 - 7.

PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Parent Company			Consolidated		
	Note	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
ASSETS							
Non-current assets							
Goodwill	17.3	**-**	-	-	**3,188,812**	3,335,872	3,335,872
Property, plant and equipment	17.1	**70,668,436**	58,738,349	62,515,059	**114,382,663**	98,400,223	104,275,756
Right-of-use assets	17.4	**2,099,810**	2,324,213	2,548,615	**5,631,966**	6,067,534	5,819,464
Investment in subsidiaries	17.6	**29,776,880**	30,025,940	30,025,940	**-**	-	-
Deferred tax assets	15	**-**	-	-	**125,165**	225,638	227,483
Total non-current assets		**102,545,126**	91,088,502	95,089,614	**123,328,606**	108,029,267	113,658,575
Current assets							
Inventories	17.7	**15,913,449**	13,555,010	9,651,672	**20,755,481**	20,716,057	14,575,811
Trade receivables	16.1	**2,167,334**	2,425,438	2,521,551	**4,801,508**	6,324,442	5,617,803
Financial assets at fair value through profit or loss	16.4	**3,097,593**	3,185,737	3,417,111	**3,097,593**	3,185,737	3,417,111
Prepayments, advances and other receivables	17.8	**2,309,654**	1,862,133	1,385,922	**812,154**	1,937,708	1,738,567
Cash and cash equivalents	16.2	**400,807**	374,854	137,514	**1,697,338**	1,651,105	1,291,010
Total current assets		**23,888,837**	21,403,172	17,113,770	**31,164,074**	33,815,049	26,640,302
Total assets		**126,433,963**	112,491,674	112,203,384	**154,492,680**	141,844,316	140,298,877
EQUITY AND LIABILITIES							
EQUITY							
Share capital	18	**20,000,000**	20,000,000	20,000,000	**20,000,000**	20,000,000	20,000,000
Share premium	19	**13,456,873**	13,456,873	13,456,873	**13,456,873**	13,456,873	13,456,873
Legal reserve	20	**6,666,667**	6,666,667	6,666,667	**6,666,667**	6,666,667	6,666,667
Asset replacement reserve	21	**-**	3,647,566	3,647,566	**-**	3,647,566	3,647,566
Voluntary reserve	22	**-**	6,352,434	6,352,434	**-**	6,352,434	6,352,434
Revaluation surplus	17.1	**13,358,603**	-	-	**18,987,006**	-	-
Accumulated losses		**(51,816,286)**	(54,226,455)	(46,023,316)	**(50,437,695)**	(47,479,259)	(36,309,290)
Equity attributable to the equity holders of the Parent Company		**1,665,857**	(4,102,915)	4,100,224	**8,672,851**	2,644,281	13,814,250
Non-controlling interest		**-**	-	-	**821,067**	435,955	344,622
Total equity		**1,665,857**	(4,102,915)	4,100,224	**9,493,918**	3,080,236	14,158,872

The notes 1 to 29 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (continued)

		Parent Company			Consolidated		
	Note	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]
LIABILITIES							
Non-current liabilities							
Term loans	16.6	**19,728,241**	23,687,250	26,771,281	**29,546,435**	28,137,384	26,760,093
Lease liabilities	16.9	**2,099,943**	2,265,294	2,613,564	**5,969,121**	6,430,054	6,024,787
Deferred tax liabilities	15	**3,870,401**	1,513,000	1,513,000	**4,653,903**	1,513,000	1,513,000
Provision for employees' end of service benefits	17.9	**676,423**	710,303	532,595	**1,201,207**	1,293,756	1,112,867
Total non-current liabilities		**26,375,008**	28,175,847	31,430,440	**41,370,666**	37,374,194	35,410,747
Current liabilities							
Term loans	16.6	**6,059,171**	4,116,754	1,549,062	**15,392,561**	20,437,131	24,405,462
Loan from a subsidiary	27 (c)	**6,534,477**	6,997,616	6,691,212	**-**	-	-
Lease liabilities	16.9	**329,984**	327,360	134,106	**581,174**	407,449	414,173
Trade and other payables	16.5	**30,470,434**	27,608,064	34,401,509	**31,019,444**	29,347,835	30,273,958
Trade payable - gas supplier	16.8	**48,115,288**	41,874,115	27,666,459	**48,115,288**	41,874,115	27,666,459
Short term borrowings	16.7	**6,883,744**	7,494,833	6,230,372	**8,445,552**	9,188,784	7,862,763
Income tax payable	14	**-**	-	-	**74,077**	134,572	106,443
Total current liabilities		**98,393,098**	88,418,742	76,672,720	**103,628,096**	101,389,886	90,729,258
Total liabilities		**124,768,106**	116,594,589	108,103,160	**144,998,762**	138,764,080	126,140,005
Total equity and liabilities		**126,433,963**	112,491,674	112,203,384	**154,492,680**	141,844,316	140,298,877
Net assets per share	23	**0.008**	(0.021)	0.021	**0.043**	0.013	0.069

These financial statements along with notes 1 to 29 and other explanatory information were approved by the Board of Directors on 3 July 2025 and signed on their behalf by:

Khalid Masud Ansari
Vice Chairman of the Board of Directors

Dr. Hilal Saif Al Dhamri
Acting Chief Executive Officer

Ashraf Atmeh
Chief Financial Officer

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PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Parent Company	Note	Share capital RO	Share premium RO	Legal reserve RO	Asset replacement reserve RO	Voluntary reserve RO	Revaluation reserve RO	Accumulated losses RO	Total RO
At 1 January 2023 (as previously reported)		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(43,987,082)	6,136,458
Impact of prior period restatements	29	-	-	-	-	-	-	(2,036,234)	(2,036,234)
At 1 January 2023 (restated)		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(46,023,316)	4,100,224
Comprehensive income:									
Loss for the year (restated)		-	-	-	-	-	-	(8,203,139)	(8,203,139)
At 31 December 2023		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(54,226,455)	(4,102,915)
At 1 January 2024		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**-**	**(54,226,455)**	**(4,102,915)**
Comprehensive income:									
Loss for the year		-	-	-	-	-	-	(7,589,831)	(7,589,831)
Other comprehensive income:									
Revaluation surplus (net of tax)	17.1	-	-	-	-	-	13,358,603	-	13,358,603
Loss and total comprehensive income for the year		-	-	-	-	-	13,358,603	(7,589,831)	5,768,772
Transactions within equity:									
Transfer of reserves	21 &22	-	-	-	(3,647,566)	(6,352,434)	-	10,000,000	-
At 31 December 2024		**20,000,000**	**13,456,873**	**6,666,667**	**-**	**-**	**13,358,603**	**(51,816,286)**	**1,665,857**

The notes 1 to 29 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Consolidated	Note	Share capital RO	Share premium RO	Legal reserve RO	Asset replacement reserve RO	Voluntary reserve RO	Revaluation reserve RO	Accumulated losses RO	Total attributable to equity shareholders RO	Non-Controlling interest RO	Total RO
		Attributable to equity shareholders of the Parent Company									
At 1 January 2023 (as previously reported)		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(33,758,250)	16,365,290	344,622	16,709,912
Impact of prior period restatements	29	-	-	-	-	-	-	(2,551,040)	(2,551,040)	-	(2,551,040)
At 1 January 2023 (restated)		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434		(36,309,290)	13,814,250	344,622	14,158,872
Comprehensive income:											
Loss for the year (restated)		-	-	-	-	-		(11,169,969)	(11,169,969)	91,333	(11,078,636)
At 31 December 2023 (restated)		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(47,479,259)	2,644,281	435,955	3,080,236
At 1 January 2024		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**-**	**(47,479,259)**	**2,644,281**	**435,955**	**3,080,236**
Comprehensive income:											
Loss for the year		-	-	-	-	-	-	**(12,958,436)**	**(12,958,436)**	**(24,896)**	**(12,983,332)**
Other comprehensive income:											
Revaluation surplus (net of tax)	17.1	-	-	-	-	-	**18,987,006**	**-**	**18,987,006**	**410,008**	**19,397,014**
Loss and total comprehensive income for the year		-	-	-	-	-	**18,987,006**	**(12,958,436)**	**6,028,570**	**385,112**	**6,413,682**
Transactions within equity:											
Transfer of reserves	21 &22	-	-	-	**(3,647,566)**	**(6,352,434)**	-	**10,000,000**	-	-	
At 31 December 2024		**20,000,000**	**13,456,873**	**6,666,667**	**-**	**-**	**18,987,006**	**(50,437,695)**	**8,672,851**	**821,067**	**9,493,918**

The notes 1 to 29 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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PARENT COMPANY'S AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Parent Company 2024 RO	Parent Company 2023 RO Restated [note 29]	Consolidated 2024 RO	Consolidated 2023 RO Restated [note 29]
Cash flows from operating activities					
Loss before taxation		**(7,589,831)**	(8,099,207)	**(12,882,857)**	(10,945,543)
Adjustments for:					
Depreciation of property, plant and equipment	17.1	**3,996,347**	4,194,590	**6,048,061**	6,337,562
Depreciation of right-of-use assets	17.4	**224,403**	224,402	**441,470**	441,280
Net impairment loss on financial assets	4.1	**585,031**	1,687,249	**1,200,175**	1,909,625
Reversal of legal provisions	11	**-**	(1,885,743)	**-**	(1,885,743)
Impairment loss on investment in subsidiary	17.6	**102,000**	-	**-**	-
Impairment loss on property, plant and equipment	17.1	**311,387**	-	**1,208,921**	-
Allowance for slow-moving inventories	17.7	**120,000**	120,000	**445,318**	398,330
Interest expense	12	**4,093,840**	4,340,338	**5,643,974**	5,823,425
Interest expense on lease liabilities	17.4	**164,640**	180,362	**468,924**	493,304
Investment income	14	**(202,306)**	(96,014)	**(202,306)**	(96,014)
Increase in fair value of financial assets at fair value through profit or loss	16.4	**88,144**	231,374	**88,144**	231,374
End of service benefits charge for the year	17.9	**-**	203,631	**37,182**	282,300
Operating cash flows before payment of end of service benefits and working capital changes		**1,893,655**	1,100,982	**2,497,006**	2,989,900
End of service benefits paid	17.9	**(33,880)**	(25,923)	**(129,731)**	(101,410)
Working capital changes:					
Trade receivables		**(15,451)**	(913,004)	**1,035,627**	(3,429,976)
Prepayments and other receivables		**(758,997)**	(1,154,343)	**412,686**	614,571
Inventories		**(2,478,439)**	(4,023,338)	**(484,742)**	(6,629,909)
Trade and other payables		**9,999,027**	8,240,256	**8,317,270**	13,872,285
Cash generated from operations		**8,605,915**	3,224,630	**11,648,116**	7,315,461
Income tax paid	15	**-**	(103,932)	**(60,496)**	(104,523)
Net cash generated from operating activities		**8,605,915**	3,120,698	**11,587,620**	7,210,938
Cash flows from investing activities					
Dividend income	14	**202,306**	96,014	**202,306**	96,014
Repayment of quasi capital by a subsidiary	17.6 (d)	**147,060**	-	**-**	-
Additions to property, plant and equipment	17.1	**(557,604)**	(417,880)	**(737,293)**	(476,365)
Net cash used in investing activities		**(208,238)**	(321,866)	**(534,987)**	(380,351)
Cash flows from financing activities					
Payments of long-term loans from commercial banks		**(2,016,592)**	(516,339)	**(3,635,519)**	(2,591,040)
Short-term bank borrowings - net		**(847,868)**	880,190	**(782,383)**	1,094,284
Repayment of loan from a subsidiary		**(463,139)**	-	**-**	-
Lease payments		**(65,601)**	(73,612)	**(353,142)**	(379,874)
Interest and finance costs paid		**(3,879,141)**	(3,236,002)	**(5,210,902)**	(4,926,224)
Net cash used in financing activities		**(7,272,341)**	(2,945,763)	**(9,981,946)**	(6,802,854)
Net changes in cash and cash equivalents during the year		**1,125,336**	(146,931)	**1,070,687**	27,733
Cash and cash equivalents at the beginning of the year		**(1,831,938)**	(1,685,007)	**(555,687)**	(583,420)
Cash and cash equivalents at the end of the year	16.2	**(706,602)**	(1,831,938)	**515,000**	(555,687)
Non cash transactions:					
Accrual of interest on loan from a subsidiary		**-**	306,404	**-**	-
Lease modifications		**-**	-	**-**	688,103

The notes 1 to 29 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 associate are set out below:

Subsidiary companies	Country of incorporation	Shareholding percentage % 2024 RO	2023 RO	Principal activities
Operational subsidiary companies				
Pioneer Cement Industries ('Pioneer')	United Arab Emirates	**100**	100	Production and sale of cement
Raysut Maldives Cement Private Limited	Republic of Maldives	**75**	75	Trading activity
Sohar Cement Factory SPC	Sultanate of Oman	**100**	100	Production and sale of cement
Non-operational subsidiary companies				
Pioneer Cement Industries Georgia Limited*	Georgia	**100**	100	Limestone quarry
Raysut Barwaaqo Cement Company LLC ('RBCC')***	Sultanate of Oman	**51**	51	Wholesale of cement and plastic
Raysut Cement Trading Madagascar**	Madagascar	**100**	100	Trading activity
Duqm Cement Factory LLC	Sultanate of Oman	**100**	100	Production and sale of cement
Raysut Cement Holding Company PTE LTD ***	Singapore	**100**	100	Trading activity

Associate company	Country of incorporation	Shareholding percentage % 2024 RO	2023 RO	Principal activities
Mukalla Raysut for Manufacturing and Trading Company Limited ('MRTIC')	Yemen	**49**	49	Importing, exporting, packing and marketing of cement products

Branch of the Parent Company	Country of incorporation	Principal activities
Raysut Cement Company S.A.O.G (Branch)	United Arab Emirates	Limestone quarry

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. The company is inoperative.

** Raysut Burwaqo Cement Company LLC ('RBCC') and Raysut Cement Trading Madagascar are in-active and non-operative companies.

*** Raysut Cement Holding Company PTE LTD was incorporated in 2021 and is non-operative.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these Parent Company's and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with IFRS

The consolidated financial statements of the Group and the financial statements of the Parent Company (together referred to as "these financial statements") have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the applicable requirements of the Commercial Companies Law 2019 of the Sultanate of Oman and the rules and guidelines on disclosure issued by the Financial Services Authority.

Due to the fraudulent activities performed by the former Board of Directors and management in 2022, the financial performance of the Parent Company which was detrimental to the interests of its shareholders was deteriorated, and it adversely impacted the stability of the capital market. As per the provisions of the article 148 of the Commercial Companies Law 2019 of the Sultanate of Oman, the FSA has issued its administrative decree no. 149/2022 on 11 December 2022 to dissolve then Board of Directors and appoint a temporary Board of Directors for three years extendable by the FSA decree. Refer to the note 26 (b)(i) for the details of the criminal case against the former Board of Directors and management and note 30 for the subsequent appointment of the new Board of Directors by the shareholders.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in note 3.

(b) Historical cost convention

These Parent Company's and consolidated financial statements have been prepared on a historical cost basis except as modified by the revaluation of property, plant and equipment and financial assets at fair value through profit or loss.

(c) Going concern

During the year ended 31 December 2024, the Group continued to incur losses of 12,983,332 (2023: RO 11,078,636) and similarly, the Parent Company incurred losses of RO 7,589,831 (2023: RO 8,203,139). As of 31 December 2024, the Group reported accumulated losses of RO 50,437,695 (2023: accumulated losses of RO 47,479,259). Further, the Parent Company had reported accumulated losses of RO 51,816,286 (2023: accumulated losses of RO 54,226,455) as at 31 December 2024. At the same date, the Group's current liabilities exceeded its current assets, resulting in a net current liability position of RO 72,464,021 (2023: RO 67,574,837). The Parent Company's current liabilities also exceeded its current assets, resulting in a net current liability position of RO 74,504,261 (2023: RO 67,015,570). In addition, as at 31 December 2024, the Group and the Parent Company was in breach of the financial covenants for certain bank facilities amounting to RO 8,718,145, which have been classified as current liabilities.

In accordance with Article 147 of the Commercial Companies Law of 2019, the Directors are required to convene an Extraordinary General Meeting for shareholders' resolutions regarding the proposed remediation plans as the Group and the Parent Company's accumulated losses have exceeded 50% of its issued share capital. The Board of Directors are in the process of planning and convening the required Extraordinary General Meeting in accordance with the applicable provisions of the Commercial Companies Law of 2019.

The financial conditions highlighted above, together with the matters described below, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(c) Going concern (continued)

i. Outstanding gas supplier liability: As at 31 December 2024, the Parent Company and the Group has an overdue balance of RO 48,115,288 with its primary supplier of gas to the main plant in Salalah. The liability to the gas supplier represents approximately 49% of the Group's total current liability. The continuous supply of gas is critical for the continued operation of the Parent Company and the Group's main plant, and the Board has proposed a long term settlement plan to the gas supplier. However, no settlement agreement was reached with the gas supplier as of the date of approval of these financial statements, and there is a risk that the gas supplier may demand immediate repayment, which could materially impact the Group's cash flow forecast and require capital support from shareholders which is not currently planned. Based on the progress of negotiation, management remains confident that the proposed long term settlement plan will be accepted by the gas supplier and accordingly, the going concern assessment is based on the assumption that there is no repayment requirement in the next twelve months. The projected cash flows remain sensitive to this assumption as a 10% repayment would result in remaining available cash to reduce to RO 1.2 million.

ii. Non-compliance with certain banking covenants: As of 31 December 2024, the Group has breached certain financial covenants on borrowings totaling RO 8,718,145. While some waivers have been obtained, the Group remains confident and is not expecting banks to demand immediate repayment based on ongoing negotiations with the lenders and hence, the going concern assessment by management is based on the assumption that repayments continue to be based on the original repayment schedules. There are however no binding agreements in place as of the date of approval of these financial statements to defer settlement of balances which have become immediately due and as such classified as current.

iii. Business plan assumptions: A Group-wide 5-year business plan has been developed by the Board in collaboration with an external consultancy firm. The plan assumes increased production capacity, stable pricing, exploring new markets and improved efficiencies in overall operations of the Group. The plan is sensitive to external market conditions, uninterrupted operations, including experienced and competent key management personnel, and maximum capacity utilisation. Any delays in execution or external disruptions could materially affect the Group's ability to generate the forecasted cash flows and settle its current liabilities which includes the overdue liabilities. The projected cash flows remain sensitive to even 5% change in the average sales price, cost increases or capacity utilisation. A 5% deterioration in even one of the assumptions would result in negative cash flows

In summary, the Group's liquidity projections for the next twelve months are based on the proposed gas settlement plan, waivers for breached financial covenants that would not result in immediate repayment of any borrowings, and successful implementation of the turnaround strategy. These forecasts do not currently include any capital injection plans.

Despite the above challenges, the management and the Board of Directors remain confident in the Group's and Parent Company's ability to continue as a going concern based on the actions taken to improve the operational performance, the ongoing negotiations with key suppliers and lenders, and support from key shareholders. The Board of Directors also has future plans to restructure a bank loan. The current Board was elected and assumed office on 16 March 2025, and although they were not in office and did not participate in any operational or financial decision making for the fiscal year 2024, they have put an action plan in place as noted above. The management and the Directors therefore have a reasonable expectation that the Group and the Parent Company will have adequate resources to meet its financial obligations for a period of at least 12 months from the date of approval of these financial statements, without the requirement of additional capital injection. Accordingly, these financial statements have been prepared on a going concern basis.

(d) New and amended standards adopted by the Group

For the year ended 31 December 2024, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS IC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2024.

The Group has applied the following standards and amendments as of 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenant- Amendments to IAS 1 (effective on or after 1 January 2024);
- Lease liability in sale and leaseback – Amendments to IFRS 16 (effective on or after 1 January 2024); and
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective on or after 1 January 2024);

The amendments listed above did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(e) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2025 or later periods. The Group is currently assessing the impact of these standards, amendments or interpretations on the future period.

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027); and
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.3 Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated and Parent Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rial Omani, which is the Parent Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income,

Foreign exchange gains and losses that relate to borrowings, trade payables and cash and cash equivalents are presented in the statement of comprehensive income within "foreign exchange gains/(losses) - net".

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Revenue from contracts with customers

The Group generates revenue from the sale of cement. Where the revenue is recognised at the point in time.

The following are some of the key indicators used by the Group in determining when control has passed to the customer:

i. the Company has a right to payment for the product or service;
ii. the customer has legal title to the product;
iii. the Company has transferred physical possession of the product to the customer;
iv. the customer has the significant risks and rewards of ownership of the product; and
v. the customer has accepted the product.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.5 Revenue from contracts with customers (continued)

Revenue from sale of cement
Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities. The Group recognizes revenue when control of cement has transferred, being when cement is delivered to the customer, the customer has full discretion over the use or sale of cement, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Delivery occurs when cement is received by the customer at the Group's premises as per the terms of the contract, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed.

Revenue is recognized net of discounts and returns. Revenue from the sales with discounts, if any, is recognized based on the price specified in the contract, net of the estimated volume discounts.

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability, if any (included in trade and other payables) is recognized for expected volume discounts, if any, payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognized when the cement is delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to the items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is recognised in the statement of comprehensive income as the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are offset as there is a legally enforceable right to do so in Oman.

The principal temporary differences arise from depreciation on property plant and equipment, provision for impairment of trade and instalment receivables and provision for obsolete and slow moving inventories.

Pioneer Cement Industries ('Pioneer') a subsidiary, is subject to the income tax in accordance with the Federal Decree-Law No. 47 of 2022 and amendments of the United Arab Emirates.

Raysut Maldives Cement Private Limited a subsidiary, is subject to the income tax Act No. 25/2019 of the Republic of Maldives.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.7 Leases

(i) Identification of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the Group has the right to direct the use of the asset. The Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts which are or contain lease, on or after 1 January 2019.

(ii) Identification of a lease as a lessee

Under IFRS 16, the Group recognises right-of-use assets and corresponding lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated/amortised using the straight-line method from the commencement date to the earliest useful life of the right-of-use asset or at the end of the lease term. The estimated useful lives of the right-of-use assets is determined as the initial non-cancellable lease term adjusted by any extension or termination options available under the contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if such rate is not readily available, incremental borrowing rate of the Group. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- fixed lease payments, including in-substance fixed payments less any lease incentives receivable;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price of a purchase option if the group is reasonably certain to exercise that option,
- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising thatoption.

The lease liability is remeasured when there is a change in any of the following:

- The lease terms
- The assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset
- The amounts expected to be payable under residual value guarantees
- Future lease payments resulting from a change in an index or rate
- In-substance fixed lease payments

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.7 Leases (continued)

(ii) Identification of a lease as a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

The Group presents lease liabilities and right-of-use assets that do not meet the definition of investment property as separate line items in the statement of financial position classifying short- and long-term liabilities separately. Similarly, the depreciation/amortisation arising from the right-of-use asset has been recognised under 'cost of sales' and 'general and administrative expenses' and interest on lease liabilities under 'Finance cost' in the statement of comprehensive income.

Short-term leases and leases of low-value assets

At the time of initial recognition, the Group shall elect to not recognise right-of-use assets and liabilities for leases where,

- the total lease term is less than or equal to 12 months i.e. short-term leases;
- value of the underlying asset is considered as a low value lease.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.8 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and

the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.8 Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.9 Impairment of non- financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions, other short-term with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less Expected Credit Loss (ECL) allowance. See note 16.1 for further information about the Group's accounting for trade receivables and note 4.1(b) for a description of the Group's impairment policies.

2.12 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.

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.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.13 Financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The group reclassifies debt instruments only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains/(losses)' together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in 'other gains/(losses)' in the statement of profit or loss as applicable.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.13 Financial assets (continued)

(iii) Measurement (continued)

Dividend income

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

(iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4(b) for further details.

2.14 Property, plant and equipment

Effective 31 December 2024, the Group has changed its accounting policy for measuring land, building civil works, plant and machinery and factory vehicles equipment and tools from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant and Equipment. This change in accounting policy is applied prospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and accounted for as a revaluation in the current period.

The above classes of property, plant and equipment are stated at a value determined by an independent professional valuer on an open market basis less accumulated depreciation from the date of the last revaluation. When adjusting the carrying amount of an asset upon revaluation, the Group applies 'net' approach where it eliminates accumulated depreciation against the carrying amount of the asset and then revalues the net carrying amount. Revaluations are made every three to five years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The revalued amounts in respect of individual assets are depreciated over the estimated remaining useful lives from the date of revaluation.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings. The revaluation reserve for land included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the disposal of the asset.

The remaining classes of assets, including motor vehicles, furniture and fixtures and office equipment are continued to be measured at cost less accumulated depreciation and accumulated impairment losses, except for capital work-in-progress which is carried at cost less impairment losses.

Before 31 December 2024, 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.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.14 Property, plant and equipment (continued)

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 or revalued amounts 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. 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
Motor vehicles	5
Furniture and fixtures	5
Office equipment	5
Factory vehicles, equipment and tools	3 - 5

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.

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.

2.15 Exploration and evaluation assets

Recognition

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred. Following the granting of a prospecting right, general administration and overhead costs directly attributable to exploration and evaluation activities will be expensed and all other costs are capitalised and recorded at cost on initial recognition.

Classification and measurement

The following expenditures are included in the initial and subsequent measurement of the exploration and evaluation assets:

- Acquisition of rights to explore
- Topographical, geological, geochemical or geographical studies
- Exploratory drilling
- Trenching
- Sampling
- Activities in relation to the evaluation of both the technical feasibility and the commercial viability of extracting minerals
- Exploration staff related costs
- Equipment and infrastructure
- Other administrative costs

Exploration and evaluation costs that have been capitalised are classified as either tangible or intangible according to the nature of the assets acquired and this classification is consistently applied.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.15 Exploration and evaluation assets (continued)

The tangible assets are subsequently classified as property, plant and equipment and carried at cost less depreciation.

The intangible assets are subsequently carried at cost and amortised to their residual value over their economic useful life.

Impairment
As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.
Under the full cost method of accounting for exploration and evaluation costs, such costs are capitalised as intangible assets and are assessed for impairment on a concession basis based on the IFRS 6, “Exploration for and Evaluation of Mineral Resources”, impairment indicators.

All capitalised exploration and evaluation expenditure are monitored for indications of impairment in accordance with IFRS 6.

2.16 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Once impaired, goodwill is not reversed, refer to note 2.9 for details.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.17 Financial liabilities

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loan from a subsidiary, lease liabilities, long term borrowings and short term borrowings which are measured at amortised cost.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income under its line items 'finance costs' or 'finance income'.

2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Parent Company and the Group prior to end of reporting date which are unpaid. These amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Parent Company and the Group prior to end of reporting date which are unpaid. These amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.21 Modification of financial liabilities

The Group treats an extinguishment of the original financial liability and the recognition of a new financial liability if it restructures its financial liability or part of it with the existing lender on substantially different terms. For the purpose of substantial modification, the Company looks at the qualitative characteristics of the modification involved.

2.22 Provisions

Provisions are recognised when the Parent Company and the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.23 Provision for employees' end of service benefits and leave entitlements

End of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2023 as amended and in accordance with IAS 19 'Employee benefits'. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability. The liability is calculated using projected unit credit method.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 Summary of material accounting policies (continued)

2.24 Dividend distribution

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 Financial Services Authority while recommending the dividend. Dividends are recognised as a liability when declared and approved by the shareholders.

2.25 Directors' remuneration

The Company follows the Commercial Companies Law of 2019, and other latest relevant directives issued by the Financial Services Authority, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to statement of comprehensive income in the year to which it relates.

2.26 Interest income and expense

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

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(iii) Net assets per share

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.

3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

3 Critical estimates and judgements (continued)

The areas involving significant estimates or judgements are:

- Going concern assumptions – note 2.1(c)

- 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 Expected Credit Losses (ECL)

The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated if considered relevant and significant.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

- 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.

- 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.

- Impairment of non-financial assets

The review of the non-financial assets for impairment reflects management's best estimate of the recoverable value of the non-financial assets that is higher of its value in use or fair value less costs to sell. The estimated impairment on the non-financial assets reflect judgement include estimate of the future cash flows of the CGUs and the rates used to discount these cash flows, both of which are subject to uncertain factors such as use of available information and the application of judgment are inherent in the formation of estimates; actual results in the future may differ from estimates upon which financial information is prepared (refer note 17.1).

- Inventory valuation

The valuation of inventories, particularly finished goods and work-in-progress in the cement manufacturing process, involves a degree of estimation uncertainty and management judgment. Inventories are stated at the lower of cost and net realizable value, where cost is determined using the weighted average method and includes raw materials, direct labor, and a proportion of manufacturing overheads based on normal operating capacity.

Management regularly assesses the net realizable value of inventory by considering factors such as current and forecasted market demand, selling prices, and production costs. The estimation is particularly sensitive to changes in market selling prices of cement and clinker, slow-moving or obsolete stock, and production variances that affect cost absorption.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

3 Critical estimates and judgements (continued)

Significant estimates and judgements (continued)

- Inventory valuation (continued)

Any changes in these assumptions or market conditions could have a material impact on the carrying value of inventories. The Parent Company and the Group believes that the assumptions used in the current year are reasonable and reflective of market and operational conditions at the reporting date.

- Inventory quantities of raw material and work in progress

Inventories comprise of raw materials (mainly limestone, iron ore, shale, gypsum) and work in process (mainly clinker and limestone) which are stored in stockpiles. Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using surveying and other techniques and density. In doing so, management appoints external surveyors to estimate the quantities by using certain scientific systematic measurements calculations, after which management applies the density conversion method which is applied for similar stock in the cement industry. At year-end, if the estimated quantity increased / decreased by 5% with all other variables held constant, loss for the year of the Parent Company and the Group would have been higher or lower by RO 0.535 million and 0.613 million respectively.

- Provision for slow moving spare parts

The Company holds spare parts inventory for the machinery of its plant held longer than one reporting period, which may be ultimately disposed or sold below cost as a result of obsolescence or retirement of the related machinery. Management estimates the appropriate level of provisioning for spare parts at the end of each reporting period. Factors influencing this estimate includes management's expectations for future utilization, disposal or sale plans for the spare parts. At year-end, if management expectations increased / decreased by 5% with all other variables held constant, loss for the year of the Parent Company and the Group would have been higher or lower by RO 0.152 million and RO 0.217 million respectively.

- Fair valuation of unquoted equity investments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select net asset approach at the end of each reporting period.

The determination of the valuation of unquoted equity investments requires significant estimation and are further disclosed in note 4.1 (a) (i).

- Change in the accounting policy on property, plant and equipment

Effective 31 December 2024, the Group has changed its accounting policy for measuring land, building civil works, plant and machinery and factory vehicles equipment and tools from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant and Equipment. The above classes of property, plant and equipment are stated at a value determined by an independent professional valuer on an open market basis less accumulated depreciation from the date of the last revaluation. Revaluations are made every three to five years. The revalued amounts in respect of individual buildings are depreciated over the estimated remaining useful lives from the date of revaluation.

The Group's property, plant and equipment is measured using the revaluation model in accordance with IAS 16. This model requires assets to be carried at fair value, which involves significant estimation and judgment by management.

The fair values of measuring property, plant and equipment were determined based on external valuations performed by qualified independent valuers as of 31 December 2024. These valuations involved the use of observable market data, where available, and unobservable inputs, including assumptions about market conditions, asset-specific factors, and the continued use of the assets in their current condition and location.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

3 Critical estimates and judgements (continued)

Significant estimates and judgements (continued)

Key assumptions used in the valuation process include:

- Market-based evidence of fair value for similar assets
- Estimated useful lives and residual values
- Condition and location of the assets
- Current and expected future use of the assets

Given the nature of these estimates, changes in any of the above assumptions could result in material adjustments to the carrying amounts of PPE and the revaluation reserve in equity. Management reviews these assumptions periodically and updates them as necessary to reflect current market conditions.

The revaluation exercise covered the Group and its subsidiaries, including Pioneer Cement Industries, Sohar Cement Factory, and Raysut Maldives Cement and was approved by the Board of Directors.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the management under policies approved by the Board of Directors.

The Group has exposure to the following risks from its use of financial instruments:

(a) Market risk
(b) Credit risk
(c) Liquidity risk

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest rate risk, equity prices affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) 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 exchange risk arising primarily with respect to US Dollars and UAE Dirham. Management has set up a policy which requires the Group to manage its foreign exchange risk against its functional currency. With respect to foreign currency transactions that are either in US Dollars or in currencies linked to US Dollar, management believes that should these currencies weaken or strengthen against the Rial Omani there would be an insignificant or no impact on the pre-tax profits of the Group as Rial Omani is pegged against US Dollar.

At 31 December 2023 and 2022, the Group has entered into transactions only with United States Dollars and GCC currencies. The Group is not exposed to foreign currency risk arising from currency exposures as GCC currencies are pegged to the US Dollar.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(ii) Price risk

The Group is exposed to price risk.

The Parent Company's investments are subject to market price risk arising from uncertainties about future prices of equities. Market price risk is managed through the diversification of the investments, thereby avoiding concentration of investments in individual securities. Furthermore, the Parent Company's investments are managed according to the guidelines provided by the Board of Directors.

The Parent Company's quoted investments are publicly traded in the Muscat Stock Exchange (MSX). Assuming that:

- the MSX index indices would have changed by 10%.
- the Parent Company's equity instruments move according with the historical correlation with the index; and
- all other variables are constant.

The impact on the net profit of the Group and Parent Company would be as follows.

	Parent Company		**consolidated**	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Financial assets at FVTPL	**309,759**	318,574	**309,759**	318,574

(iii) Interest rate risk

The Parent Company and the Group's interest rate risk arises from bank borrowings and loan from related parties. The Group borrows from commercial banks at commercial rates of interest and from/to related parties at agreed rates.

Borrowings at variable rates expose the Parent Company and the Group to cash flow interest rate risk. During 2024 and 2023, the Parent Company and the Group's borrowings were denominated in Rials Omani, US Dollars and UAE Dirham. The Parent Company and the Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Parent Company and the Group.

The interest rates on short term borrowing and overdrafts of RO 6,883,744 (2023 - RO 7,494,833) of the Parent Company and RO 8,445,552 (2023 - RO 9,188,784) of the Group with banks are subject to change upon re-negotiation of the facilities which takes place on an annual basis in the case of overdrafts and at more frequent intervals in the case of short-term loans. If the interest rate were to shift by 1%, there would be a maximum increase or decrease in the net interest expense of RO 68,837 (2023 - RO 74,948) of the Parent Company and RO 84,456 (2023 - RO 91,888) of the Group.

At 31 December 2024, the Parent Company and the Group has total term loans of RO 25,787,412 and RO 44,938,996 (2023 - RO 27,804,004 and RO 48,574,515 respectively which carry interest rates based on a floating rate and are subject to cash flow interest rate risk. If the interest rate were to shift by 1% on these long-term loans, there would be a maximum increase or decrease in the interest expense for the current year of RO 257,874 (2023 - RO 278,040) of the Parent Company and RO 449,390 (2023 - RO 485,745) of the Group.

At 31 December 2024, the Parent Company has a loan from a subsidiary of RO 6,534,477 (2023 - RO 6,997,616) which are subject to change upon re-negotiation with the subsidiary on an annual basis. If the interest rate were to shift by 1% on this loan from the subsidiary, there would be a maximum increase or decrease in the interest income for the current year of RO 65,345 (2023 - RO 69,976).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk

(i) Risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from cash and cash equivalents, long term deposits, loans to related parties and credit exposure to customers including outstanding trade and instalment debtors and committed transactions.

Maximum exposure to credit risk

The following are the maximum exposure credit risk at the end of the reporting period:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO Restated [note 29]	**RO**	RO Restated [note 29]
Trade receivables	**2,167,334**	2,425,438	**4,801,508**	6,324,442
Advances and other receivables	**2,004,662**	1,663,009	**376,489**	1,313,579
Cash and cash equivalents	**400,807**	374,854	**1,697,338**	1,651,105
	4,572,803	4,463,301	**6,875,335**	9,289,126

(b) Credit risk

(i) Risk management

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 Parent Company and the Group's performance to developments affecting a particular industry or geographical location. At 31 December 2024, 66% (2023: 66%) of trade receivables are due from 5 customers (2023: 5 customers) of the Parent Company and 66% (2023: 66%) of trade receivables are due from 5 customers (2023: 5 customers) of the Group.

In respect of trade receivables, where there is no independent rating agency established in the country, the credit control team comprising senior management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

As per the credit policy of the Parent Company and the Group, customers are extended a credit period of up to 60 days in the normal course of business. However, in some cases, due to the market conditions and historical business relationship with the customer the credit period may be further extended by 60 days. The credit quality of financial assets is determined by the customers history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Parent Company and the Group is operating.

The write downs relate to the issues with previous management described in note 26(b)(i). The amounts were originally receivable but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

Cash at bank and short term bank deposits

Rating (as per the global bank ratings by Moody's Investors Service)

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
P-2	**-**	-	**264,498**	-
P-3	**275,489**	99,021	**449,998**	369,726
NP	**116,871**	251,952	**127,845**	256,872
Not rated	499	14,998	**838,831**	989,758
	392,859	365,971	**1,681,172**	1,616,356

The rest of the statement of financial position item 'cash and cash equivalents' is cash on hand.

(ii) Impairment of financial assets

The Group has only trade receivable and due from related parties as a financial asset that is subject to IFRS 9's new expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and due from related parties

The Parent Company and the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

For due from related parties, the Parent Company and the Group uses general model and considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk of related parties compares to the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers and changes in the operating results of the customer.

Trade receivables (including due from related parties)

To measure the expected credit losses, trade receivables and due from related parties have been grouped based on shared credit risk characteristic and the days past due.

For the trade receivable and due from related parties the expected loss rates are based on historical credit loss experience and are adjusted to reflect current and forward-looking information on macroeconomic factors mainly being the country's Gross Domestic Product and its per capita income affecting the ability of the customers to settle the receivables.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and due from related parties (continued)

On that basis, the loss allowance as at 31 December 2024 and 2023 was determined as follows for trade receivables.

Parent Company

31 December 2024	**Expected loss rate %**	**Loss carrying amount RO**	**Loss allowance RO**
Due 0 to 30 days	**0.24%**	**202,009**	**485**
Due 31 to 60 days	**0.30%**	**170,136**	**511**
Due 61 to 90 days	**0.54%**	**93,592**	**501**
Due 91 to 120 days	**1.71%**	**50,964**	**871**
Due 121 to 150 days	**10.71%**	**68,209**	**7,306**
Due 151 to 180 days	**16.18%**	**40,207**	**6,507**
Due 181 to 210 days	**15.57%**	**17,808**	**2,772**
Due 211 to 240 days	**33.31%**	**12,551**	**4,181**
Due 241 to 270 days	**50.00%**	**6,461**	**3,230**
Due 271 to 300 days	**72.82%**	**922**	**672**
Due 301 to 330 days	**96.97%**	**25,801**	**25,020**
Due 331 to 360 days	**96.06%**	**35,769**	**34,358**
Due 361 & above	**92.90%**	**1,416,043**	**1,315,467**
Total loss allowance on default risk		**2,140,472**	**1,401,881**
Receivables specifically written down*		**10,010,645**	**10,010,645**
		12,151,117	**11,412,526**
Due from related parties*		**13,750,704**	**12,321,961**
Total		**25,901,821**	**23,734,487**

31 December 2023	Expected loss rate %	Loss carrying amount RO	Loss allowance RO
Due 0 to 30 days	1.36%	137,976	1,873
Due 31 to 60 days	1.17%	199,959	2,348
Due 61 to 90 days	1.69%	183,564	3,102
Due 91 to 120 days	4.59%	95,000	4,362
Due 121 to 150 days	15.87%	69,096	10,968
Due 151 to 180 days	11.13%	27,583	3,069
Due 181 to 210 days	11.82%	27,017	3,194
Due 211 to 240 days	7.01%	34,119	2,390
Due 241 to 270 days	5.52%	39,723	2,191
Due 271 to 300 days	36.28%	18,250	6,620
Due 301 to 330 days	91.38%	20,151	18,413
Due 331 to 360 days	97.97%	25,618	25,098
Due 361 & above	71.66%	1,430,174	1,024,863
Total loss allowance on default risk		2,308,230	1,108,491
Receivables specifically written down*		10,010,645	10,010,645
		12,318,875	11,119,136
Due from related parties*		13,567,495	12,341,796
Total		25,886,370	23,460,932

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Impairment of financial assets (continued)

Trade receivables and due from related parties (continued)

Group

31 December 2024	Expected loss rate %	Loss carrying amount RO	Loss allowance RO
Due 0 to 30 days	0.07%	1,780,752	1,161
Due 31 to 60 days	0.33%	264,985	880
Due 61 to 90 days	0.46%	364,626	1,685
Due 91 to 120 days	2.46%	57,332	1,413
Due 121 to 150 days	10.72%	68,171	7,306
Due 151 to 180 days	9.21%	79,068	7,284
Due 181 to 210 days	15.36%	18,078	2,776
Due 211 to 240 days	29.63%	18,422	5,459
Due 241 to 270 days	45.83%	7,122	3,264
Due 271 to 300 days	10.44%	24,751	2,583
Due 301 to 330 days	96.05%	26,078	25,047
Due 331 to 360 days	94.55%	36,182	34,209
Due 361 & above	80.30%	5,397,957	4,334,313
Total loss allowance on default risk		8,143,524	4,427,380
Receivables specifically written down*		10,010,645	10,010,645
		18,154,169	14,438,025
Due from related parties*		11,678,278	10,592,914
Total		29,832,447	25,030,939

31 December 2023	Expected loss rate %	Loss carrying amount RO	Loss allowance RO
Due 0 to 30 days	2.95%	1,367,693	40,374
Due 31 to 60 days	3.46%	204,698	7,087
Due 61 to 90 days	3.40%	326,532	11,110
Due 91 to 120 days	4.59%	95,000	4,362
Due 121 to 150 days	15.87%	69,096	10,968
Due 151 to 180 days	22.84%	50,000	11,422
Due 181 to 210 days	11.82%	27,017	3,194
Due 211 to 240 days	7.01%	34,119	2,390
Due 241 to 270 days	5.52%	39,723	2,191
Due 271 to 300 days	36.28%	18,250	6,620
Due 301 to 330 days	71.19%	39,338	28,007
Due 331 to 360 days	97.97%	25,618	25,098
Due 361 & above	56.17%	6,740,077	3,785,595
Total loss allowance on default risk		9,037,161	3,938,418
Receivables specifically written down*		10,010,645	10,010,645
		19,047,806	13,949,063
Due from related parties*		11,820,268	10,594,569
Total		30,868,074	24,543,632

* The write downs relate to the issues with previous management described in note 26(b)(i). The amounts were originally receivable but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and due from related parties (continued)

Group (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

Parent Company

	Trade receivables from third parties		Trade receivables from related parties		Total	
	2024 RO	2023 RO	2024 RO	2023 RO	RO	RO
At 1 January	**11,119,136**	10,089,980	**12,341,796**	12,361,835	**23,460,932**	22,451,815
Increase/(decrease) in loss allowance recognised in profit or loss during the year	**293,390**	1,029,156	**(19,835)**	(20,039)	**273,555**	1,009,117
At 31 December	**11,412,526**	11,119,136	**12,321,961**	12,341,796	**23,734,487**	23,460,932

Consolidated

	Trade receivables from third parties		Trade receivables from related parties		Total	
	2024 RO	2023 RO	2024 RO	2023 RO	RO	RO
At 1 January	**13,949,063**	12,188,195	**10,594,569**	10,586,482	**24,543,632**	22,774,677
Increase/(decrease) in loss allowance recognised in profit or loss during the year	**488,962**	1,760,868	**(1,655)**	8,087	**487,307**	1,768,955
At 31 December	**14,438,025**	13,949,063	**10,592,914**	10,594,569	**25,030,939**	24,543,632

Trade receivables *(including due from related parties)* are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables *(including due from related parties)* are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Advances and other receivables, cash and cash equivalents and financial guarantees issued

The Group applies the three-stage model under IFRS 9 to measure the expected credit losses advances and other receivables and cash equivalents. Under the three-stage model management analyses the credit quality of prepayments, advances and other receivables and cash equivalents, accordingly the financial assets that does not have a significant increase in credit risk since the initial recognition were considered as stage 1 assets and management follows the 12-month expected credit loss method. When there is a significant increase in credit risk since the initial recognition, those assets are considered under stage 2 and lifetime expected credit loss is followed. Financial assets that have objective evidence of impairment at reporting stage (stage 3), lifetime expected credit loss is followed. Management analysed the credit quality of prepayments, advances and other receivables and cash equivalents and determined to follow the 12 months expected credit loss model. The parent company has issued a financial guarantee to its subsidiary. The maximum exposure to credit risk representing the maximum amount the parent would need to pay if the guarantee is called upon is RO 7,066,607 (2023: RO 4,865,491). These guarantee remains in Stage 1 due to the subsidiary's healthy financial position and continued ability to meet its obligations.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and due from related parties (continued)

Consolidated (continued)

The loss allowance for advances and other receivables as at 31 December reconciles to the opening loss allowance as follows:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
At 1 January	**26,546,832**	25,868,700	**22,113,589**	21,972,919
Increase in loss allowance recognised in profit or loss during the year	**311,476**	678,132	**712,868**	140,670
At 31 December	**26,858,308**	26,546,832	**22,826,457**	22,113,589

Net impairment charge on financial assets recognised in profit or loss:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Movement in loss allowance for trade receivable and due from related parties	**273,555**	1,009,117	**487,307**	1,768,955
Impairment losses on advances and other receivables	**311,476**	678,132	**712,868**	140,670
Net impairment loss on financial assets	**585,031**	1,687,249	**1,200,175**	1,909,625

(c) Liquidity risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the Parent Company and the Group's inability to meet its obligations when they become due. The finance department prepares and monitors the cash flow forecast and the Parent Company and Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowed facilities at all times so that the Group does not breach borrowed limits or covenants on any of its borrowing facilities. Such forecast takes into consideration the Parent Company and the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below analyses the Parent Company and Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For further information on going concern and covenants refer to notes 2.1(c) and 16.6(c) respectively.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Parent Company

At 31 December 2024	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO
Term loans	**6,173,398**	**22,151,451**	**-**	**28,324,849**	**25,787,412**
Short term borrowings	**6,969,791**	**-**	**-**	**6,969,791**	**6,883,744**
Loan from a subsidiary	**6,534,477**	**-**	**-**	**6,534,477**	**6,534,477**
Trade payable - gas supplier	**48,115,288**	**-**	**-**	**48,115,288**	**48,115,288**
Trade and other payables	**30,470,434**	**-**	**-**	**30,470,434**	**30,470,434**
Lease liabilities	**484,284**	**1,844,843**	**1,130,968**	**3,460,095**	**2,429,927**
Financial guarantee issued	**7,066,607**	**-**	**-**	**7,066,607**	**-**
Total financial liabilities	**105,814,279**	**23,996,294**	**1,130,968**	**130,941,541**	**120,221,282**

At 31 December 2023	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO Restated [note 29]
Term loans	6,007,323	27,665,310	91,385	33,764,018	27,804,004
Short term borrowings	7,588,518	-	-	7,588,518	7,494,833
Loan from a subsidiary	9,411,218	-	-	9,411,218	6,997,616
Trade payable - gas supplier	41,874,115	-	-	41,874,115	41,874,115
Trade and other payables	27,608,064	-	-	27,608,064	27,608,064
Lease liabilities	491,994	1,883,425	1,412,036	3,787,455	2,592,654
Financial guarantee issued	4,865,491	-	-	4,865,491	-
Total financial liabilities	97,846,723	29,548,735	1,503,421	128,898,879	114,371,286

Consolidated

At 31 December 2024	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO
Term loans	**8,852,703**	**39,440,750**	**7,059,485**	**55,352,938**	**44,938,996**
Short term borrowings	**8,551,121**	**-**	**-**	**8,551,121**	**8,445,552**
Trade payable - gas supplier	**48,115,288**	**-**	**-**	**48,115,288**	**48,115,288**
Trade and other payables	**31,019,444**	**-**	**-**	**31,019,444**	**31,019,444**
Lease liabilities	**827,933**	**3,178,590**	**5,584,741**	**9,591,264**	**6,550,295**
Total financial liabilities	**97,366,489**	**42,619,340**	**12,644,226**	**152,630,055**	**139,069,575**

At 31 December 2023	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO Restated [note 29]
Term loans	8,811,545	44,548,267	7,719,169	61,078,981	48,574,515
Short term borrowings	9,303,644	-	-	9,303,644	9,188,784
Trade payable - gas supplier	41,874,115	-	-	41,874,115	41,874,115
Trade and other payables	29,347,835	-	-	29,347,835	29,347,835
Lease liabilities	839,242	3,234,036	6,115,433	10,188,711	6,837,503
Total financial liabilities	90,176,381	47,782,303	13,834,602	151,793,286	135,822,752

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Group is under discussion with major suppliers to restructure payment in order to manage liquidity and this has been discussed in the going concern note 2.1 (c). If the management restructures the trade payable - gas supplier, rent payable and the term loans, the maturity of the Parent Company and Group's financial liabilities, the remaining undiscounted contractual cash flows will be as follows:

Parent Company

At 31 December 2024	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO
Term loans	6,173,398	22,151,451	-	28,324,849	25,787,412
Short term borrowings	6,969,791	-	-	6,969,791	6,883,744
Loan from a subsidiary	8,307,431	-	-	8,307,431	6,534,477
Trade payable - gas supplier	6,814,866	25,159,890	26,725,822	58,700,578	48,115,288
Trade and other payables	40,172,854	-	-	40,172,854	30,470,434
Lease liabilities	484,284	1,844,843	1,130,968	3,460,095	2,429,927
Total financial liabilities	**68,922,624**	**49,156,184**	**27,856,790**	**145,935,598**	**120,221,282**

Consolidated

At 31 December 2024	Less than 1 year RO	1 – 5 Years RO	More than 5 years RO	Total contractual cash flows RO	Carrying amount RO
Term loans	8,852,703	39,440,750	7,059,485	55,352,938	44,938,996
Short term borrowings	8,551,121	-	-	8,551,121	8,445,552
Trade payable - gas supplier	6,814,866	25,159,890	26,725,822	58,700,578	48,115,288
Trade and other payables	40,671,831	-	-	40,671,831	31,019,444
Lease liabilities	827,933	3,178,590	5,584,741	9,591,264	6,550,295
Total financial liabilities	**65,718,454**	**67,779,230**	**39,370,048**	**172,867,732**	**139,069,575**

Liquidity risk considered the financial guarantees placed by the Parent Company on behalf of the subsidiaries of the Group.

4.2 Fair value measurement

The Parent Company and the Group measure its financial assets at fair value through profit or loss at fair value at each reporting date. 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.2 Fair value measurement (continued)

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same), net assets value and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. Different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.
Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the assets that are not based on observable market data (that is, unobservable inputs).

Parent Company

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	RO	**RO**	**RO**	**RO**
Property, plant and equipment	**-**	**-**	**59,073,319**	**59,073,319**
Investments in quoted securities	**2,830,293**	**-**	**-**	**2,830,293**
Investments in local unquoted investments	**-**	**-**	**267,300**	**267,300**
Total	**2,830,293**	**-**	**59,340,619**	**62,170,912**

Consolidated

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	RO	**RO**	**RO**	**RO**
Property, plant and equipment	**-**	**-**	**97,325,075**	**97,325,075**
Investments in quoted securities	**2,830,293**	**-**	**-**	**2,830,293**
Investments in local unquoted investments	**-**	**-**	**267,300**	**267,300**
Total	**2,830,293**	**-**	**97,592,375**	**100,422,668**

31 December 2023	Level 1	Level 2	Level 3	Total
Parent Company and consolidated	RO	RO	RO	RO
Financial assets at fair value through profit or loss				
Investments in quoted securities	2,918,437	-	-	2,918,437
Investments in local unquoted securities	-	-	267,300	267,300
Total	2,918,437	-	267,300	3,185,737

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity securities. As observable prices are not available for these securities, other valuation techniques have been used to derive the fair value. Land is classified as Level 2 as the valuation is performed in open market by using observable market inputs.

The following table presents the movement in financial assets at fair value through profit or loss under level 1 and level 3 for the year ended 31 December 2024 and 31 December 2023:

Parent Company and consolidated	**2024**		2023	
	Level 1	**Level 3**	Level 1	Level 3
	RO	**RO**	RO	RO
At 1 January	**2,918,437**	**267,300**	3,149,811	267,300
Fair value change	**(88,144)**	**-**	(231,374)	-
At 31 December	**2,830,293**	**267,300**	2,918,437	267,300

There were no transfers of financial instruments between the levels during the year.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 Financial risk management (continued)

4.2 Fair value measurement (continued)

Valuation process

Description of significant unobservable inputs to valuation of financial assets:

Unlisted equity investments

The Parent Company and the Group invest in private equity companies which are not quoted in an active market. The Parent Company and the Group uses a fair value based on valuation techniques for these investments as required under IFRS 13. The Board of Directors are responsible for valuations of the Parent Company and the Group's investments.

The valuations are also subject to quality assurance procedures performed by the management. The management verifies major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations of the preceding annual period.

Property, plant and equipment

The revaluation was carried out by an independent, professionally qualified valuer on 31 December 2024 using mainly the Depreciated Replacement Cost Method (cost approach) for the other classes of revalued property, plant and equipment and for land comparable sales (market approach).

Asset class	Valuation approach	Significant unobservable inputs
Land	Income Approach/Market Approach	• Market Rent • Leasing Fee
Building civil works	Depreciated Replacement Cost Method	• Economic Age Life • Residual Value
Plant and machinery	Depreciated Replacement Cost Method	• Economic Age Life • Residual Value
Factory vehicles equipment and tools	Depreciated Replacement Cost Method	• Economic Age Life • Residual Value

Information of significant unobservable inputs - Level 3

Information of significant unobservable inputs for all the direct equity investments is set out below:

Item	Valuation approach	Significant unobservable inputs
Dhofar University SAOC	Net asset approach	Not applicable

5 Capital risk management

The Parent Company and the Groups' objectives when managing capital is to safeguard the Parent Company and the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Parent Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The capital requirements of the Parent Company and the Group are determined by the Commercial Companies Law of the Sultanate of Oman.

The capital of the Group Companies comprises share capital, accumulated losses and borrowings. 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 Parent Company and the 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 less cash and cash equivalents. Total capital is calculated as 'Total equity' as shown in the statement of financial position plus net debt.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

5 Capital risk management (continued)

The gearing ratios at 31 December 2024 and 2023 were as follows:

	Parent Company			Consolidated		
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
Term loans	**25,787,412**	27,804,004	28,320,343	**44,938,996**	48,574,515	51,165,555
Lease liabilities	**2,429,927**	2,592,654	2,747,670	**6,550,295**	6,837,503	6,438,960
Loan from a subsidiary	**6,534,477**	6,997,616	6,691,212	**-**	-	-
Short term borrowings	**6,883,744**	7,494,833	6,230,372	**8,445,552**	9,188,784	7,862,763
Total borrowings	**41,635,560**	44,889,107	43,989,597	**59,934,843**	64,600,802	65,467,278
Less: cash and cash equivalents	**(400,807)**	(374,854)	(137,514)	**(1,697,338)**	(1,651,105)	(1,291,010)
Net debt	**41,234,753**	44,514,253	43,852,083	**58,237,505**	62,949,697	64,176,268
Equity	1,665,857	(4,102,915)	4,100,224	9,493,918	3,080,236	14,067,539
Total capital	**42,900,610**	40,411,338	47,952,307	**67,731,423**	66,029,933	78,243,807
Gearing ratio	**96.12%**	110.15%	91.45%	**85.987%**	95.34%	82.02%

6 Revenue from contracts with customers

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Local sales	**16,408,438**	16,273,500	**49,281,015**	45,567,052
Export sales	**22,021,006**	21,193,078	**20,988,044**	19,975,388
	38,429,444	37,466,578	**70,269,059**	65,542,440

(a) Disaggregation of revenue from contracts with customers

The Parent Company and Group derives revenue from the transfer of goods at point in time. The revenue by geographical regions are consistent with the revenue information that is disclosed for each segment under note 28:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Type of revenue				
Sale of goods	**38,429,444**	37,466,578	**70,269,059**	65,542,440
Timing of revenue recognition				
At point of time	**38,429,444**	37,466,578	**70,269,059**	65,542,440
Geographical market				
Within Oman and UAE	**16,408,438**	16,273,500	**46,644,433**	42,579,837
Outside Oman and UAE	**22,021,006**	21,193,078	**23,624,626**	22,962,603
	38,429,444	37,466,578	**70,269,059**	65,542,440

Revenue by segments are disclosed in note 28.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

6 Revenue from contracts with customers (continued)

(b) Performance obligations Sales of goods

The Parent Company and the 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 cement is received by the customer at the factory premises for the local sales and the delivery upto the port as per the shipping terms for export sales, the risks of obsolescence and loss have been transferred to the customer. Payment of the transaction price is due immediately for local customers and 60 days credit period for export customers at the point the customer purchases the goods and takes delivery.

7 Cost of sales

	Parent Company		**Consolidated**	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Fuel, gas and electricity	**17,239,230**	20,981,098	**27,528,039**	34,634,685
Staff costs [note 9]	**5,110,955**	4,479,877	**6,552,613**	5,816,178
Depreciation [note 17.1 (iii)]	**3,865,173**	3,995,887	**5,826,788**	6,043,624
Raw materials consumed	**2,860,697**	3,552,075	**13,444,679**	9,449,557
Other factory overheads	**2,071,200**	2,016,398	**4,263,980**	3,789,655
Packing materials	**1,497,018**	1,476,339	**2,314,277**	2,641,475
Spares and consumables	**1,778,423**	2,093,275	**2,899,461**	3,198,711
Depreciation on right-of-use assets [note 17.4]	**180,889**	180,889	**328,196**	292,941
Purchased cement	**-**	-	**958,202**	1,077,454
Provision for slow moving spares [note 22.2]	**120,000**	120,000	**445,318**	403,482
Provision for inventories [note 22.2]	**-**	-	**3,309**	-
Movement in finished and semi-finished goods	**(1,456,148)**	(5,853,106)	**73,196**	(8,203,774)
	33,267,437	33,042,732	**64,638,058**	59,143,988

8 General and administrative expenses

	Parent Company		**Consolidated**	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Staff costs [note 9]	**2,111,903**	2,356,248	**3,012,314**	3,340,555
Professional fees	**808,764**	1,117,974	**838,166**	1,437,285
Directors' fees and remuneration [note 27(f)]	**214,243**	204,424	**226,833**	204,424
Travelling expenses	**199,657**	120,473	**224,355**	140,842
Legal expenses	**157,015**	148,134	**431,962**	151,888
Depreciation [note 17.1 (iii)]	**131,174**	198,703	**221,273**	293,938
Communication expenses	**115,816**	15,511	**167,159**	63,524
Rent and utilities expenses	**107,029**	111,195	**242,646**	234,631
Bank charges	**31,987**	45,448	**81,095**	128,468
Recruitment, training and seminars	**8,338**	6,490	**8,338**	6,490
Advertisement and business promotion	**8,246**	19,982	**27,840**	40,065
Write off of advances	**-**	-	**153,830**	-
Donations	**-**	32,740	**-**	32,740
Depreciation of right-of-use assets [note 17.4]	**-**	-	**69,760**	69,760
Miscellaneous expenses	**39,890**	101,900	**387,137**	493,915
	3,934,062	4,479,222	**6,092,708**	6,638,525

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

9 Staff costs

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Wages and salaries	**6,333,287**	5,551,322	**8,277,654**	7,122,826
Other benefits	**491,165**	714,721	**786,280**	1,354,497
Social security expense	**398,406**	376,315	**463,811**	406,974
End of service benefits [note 17.9]	**-**	193,767	**37,182**	272,436
	7,222,858	6,836,125	**9,564,927**	9,156,733

Staff costs are allocated as follows:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Cost of sales [note 7]	**5,110,955**	4,479,877	**6,552,613**	5,816,178
General and administrative expenses [note 8]	**2,111,903**	2,356,248	**3,012,314**	3,340,555
	7,222,858	6,836,125	**9,564,927**	9,156,733

Number of employees are as follows:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Omani	**243**	236	**293**	279
Non - Omani	**129**	136	**386**	393
	372	372	**679**	672

10 Selling and distribution expenses

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Export expenses	**2,149,211**	1,882,982	**2,149,211**	1,882,982
Transport charges	**1,084,717**	1,286,444	**1,563,550**	1,900,105
Shipping/terminal expenses	**437,500**	437,501	**437,500**	437,501
Depreciation on right-of-use assets [note 17.4]	**43,514**	43,513	**43,514**	43,513
Others	**-**	-	**104,762**	62,044
	3,714,942	**3,650,440**	**4,298,537**	**4,326,145**

11 Other income

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Write back of liabilities*	**-**	-	**195,837**	-
Reversal of provision for legal cases	**-**	1,885,743	**-**	1,885,743
Other miscellaneous income	**7,562**	6,460	**69,533**	41,127
	7,562	1,892,203	**265,370**	1,926,870

* During the year management has written back liabilities of an in-active subsidiary of Raysut Cement Trading Madagascar.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

12 Finance costs -net

	Parent Company		Consolidated	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Interest expense:				
Term loans	**2,404,442**	3,501,648	**4,578,295**	5,553,299
Amortisation deferred transaction cost	**774,679**	-	**774,679**	-
Loan from subsidiary [note 27 (c)]	**623,719**	568,564	**-**	-
Short term loans	**291,000**	270,126	**291,000**	270,126
Lease liabilities (note 17.4)	**164,640**	180,362	**468,924**	493,304
Foreign exchange gains – net [note 13]	**(32,340)**	(57,715)	**(19,849)**	(55,519)
	4,226,140	4,462,985	**6,093,049**	6,261,210

13 Foreign exchange gains - net

	Parent Company		Consolidated	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Foreign exchange gains	**136,013**	185,733	**146,207**	190,908
Foreign exchange loss	**(103,673)**	(128,018)	**(126,358)**	(135,389)
Foreign exchange gains - net	**32,340**	57,715	**19,849**	55,519

14 Investment income

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Dividend income on financial assets at FVTPL	**143,321**	96,014	**143,321**	96,014
Dividend income from associate	**58,985**	-	**58,985**	-
	202,306	96,014	**202,306**	96,014

15 Taxation

(a) The tax charge for the year is as follows:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO Restated [note 29]
Current tax				
- prior year	**-**	(103,932)	**(100,475)**	(133,093)
	-	(103,932)	**(100,475)**	(133,093)
Deferred tax				
- current year	**-**	-	**-**	-
	-	(103,932)	**(100,475)**	(133,093)

(b) As at 31 December 2024, the Parent Company and the Group has unrecognized tax losses of RO 38,552,129 and RO 43,249,807 respectively (2023: RO 37,864,491 and RO 38,267,903).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15 Taxation (continued)

(c) The reconciliation of tax on the accounting loss at the applicable rate of 15% (2023 - 15%) and the tax charge in the financial statements is as follows:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO Restated [note 29]
Accounting loss	**(7,589,831)**	(8,099,207)	**(12,882,857)**	(10,945,543)
Tax on accounting loss	**(1,138,475)**	(1,214,881)	**(1,932,429)**	(1,641,831)
Add tax effect of:				
Expenses disallowed	**112,662**	58,397	**112,662**	58,397
Deferred tax assets not recognised on tax losses	**1,025,813**	1,052,552	**1,719,292**	1,450,341
Tax credit in the statement of comprehensive income	**-**	(103,932)	**(100,475)**	(133,093)

(d) The movement in the provision for current taxation during the year comprises:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO Restated [note 29]
At 1 January	**-**	-	**134,572**	105,163
Charge for the year	**-**	-	**-**	133,932
Paid during the year	**-**	-	**(60,495)**	(104,523)
At 31 December	**-**	-	**74,077**	134,572

(e) The status of the tax assessments is as follows;

- The Parent Company's taxation has been agreed with the Oman Taxation Authorities for all years up to 31 December 2020;
- Pioneer Cement Industries (a subsidiary Company) is subject to the income tax in accordance with the Federal Decree-Law No. 47 of 2022 and amendments of the United Arab Emirates commencing from 2024;
- Raysut Maldives Cement Private Limited (a subsidiary Company) is subject to the income tax Act No. 25/2019 of the Republic of Maldives. Taxation has been agreed with the Taxation Authorities for all years up to 31 December 2021;
- Sohar Cement Factory SPC (a 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 1 January 2019. During the year exemption has been expired Taxation has been agreed with the Taxation Authorities for all years up to 31 December 2021;
- Duqm Cement Factory LLC (a subsidiary Company) is registered in Sultanate of Oman and the place of business is the Special Economic Zone in Duqm. However, the commercial operations have not been commenced as the subsidiary company is still under construction and therefore not yet registered with the Oman Taxation Authority;
- Raysut Barwaaqo Cement Company LLC (a subsidiary Company) is registered in Sultanate of Oman. However, the commercial operations have not been commenced. The subsidiary is registered for tax and Taxation has been agreed with the Taxation Authorities for all years up to 31 December 2020;
- Pioneer Cement Industries Georgia Limited (a subsidiary Company) is registered in Georgia. However, the commercial operations have not been commenced and registered with the Taxation Authority;
- Raysut Cement Company S.A.O.G (Branch) (a subsidiary Company) is registered in United Arab Emirates. However, the subsidiary is not yet registered for tax;
- There subsidiaries of Raysut Cement Trading Madagascar and Raysut Cement Holding Company PTE LTD immaterial to the Parent Company and the Group; and

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15 Taxation (continued)

(f) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2023: 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 2024	1 January 2024 RO	Charge/(credit) for the year - OCI RO	31 December 2024 RO
Parent Company			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax impact on revaluation of property, plant and equipment	-	(2,357,401)	(2,357,401)
	(4,748,786)	(2,357,401)	(7,106,187)
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 loss carried forward	2,576,009	-	2,576,009
	3,235,786	-	3,235,786
Net deferred tax liability	(1,513,000)	(2,357,401)	(3,870,401)

31 December 2024	1 January 2024 RO	Charge/(credit) for the year - OCI RO	31 December 2024 RO
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax impact on revaluation of property, plant and equipment	-	(3,140,903)	(3,140,903)
	(4,748,786)	(3,140,903)	(7,889,689)
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 loss carried forward	2,576,009	-	2,357,401
	3,235,786	-	3,235,786
Net deferred tax liability	(1,513,000)	(3,140,903)	(4,653,903)

Management has not recognised deferred tax assets on tax losses as at 31 December 2024 after considering the uncertainty of future taxable income of the Group.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15 Taxation (continued)

(f) Deferred taxation (continued)

31 December 2023	1 January 2023 RO	Charge/(credit) for the year RO	31 December 2023 RO
Parent Company			
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)

31 December 2023	1 January 2023 RO	Charge/(credit) for the year RO	31 December 2023 RO
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)

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities

This note provides information about the Parent Company and the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Parent Company and the Group holds the following financial instruments:

		Parent Company			Consolidated		
Financial assets	**Note**	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]
Financial assets at amortised cost							
Trade receivables	16.1	**2,167,334**	2,425,438	2,521,551	**4,801,508**	6,324,442	5,617,803
Cash and cash equivalents	16.2	**400,807**	374,854	137,514	**1,697,338**	1,651,105	1,291,010
		2,568,141	2,800,292	2,659,065	**6,498,846**	7,975,547	6,908,813
Financial assets at fair value (not designated)							
Financial assets at fair value through profit or loss	16.4	**3,097,593**	3,185,737	3,417,111	**3,097,593**	3,185,737	3,417,111
		5,665,734	5,986,029	6,076,176	**9,596,439**	11,161,284	10,325,924

		Parent Company			Consolidated		
Financial liabilities	**Note**	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 Restated [note 29]
Liabilities at amortised cost							
Trade and other payables (excluding customer advances and VAT)	16.5	**28,912,601**	26,947,967	34,401,509	**28,942,439**	28,662,965	28,912,601
Term loans	16,6	**25,787,412**	27,804,004	28,320,343	**44,938,996**	48,574,515	51,165,555
Short term borrowings	16.7	**6,883,744**	7,494,833	6,230,372	**8,445,552**	9,188,784	7,862,763
Trade payable - gas supplier	16.8	**48,115,288**	41,874,115	27,666,459	**48,115,288**	41,874,115	27,666,459
Lease liabilities	16.9	**2,429,927**	2,592,654	2,747,670	**6,550,295**	6,837,503	6,438,960
Loan from a subsidiary	27(c)	**6,534,477**	6,997,616	6,691,212	**-**	-	-
		118,663,449	113,711,189	106,057,565	**136,992,570**	135,137,882	122,046,338

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.1 Trade receivables

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
		Restated [note 29]		Restated [note 29]
Trade receivables	**12,151,117**	12,318,875	**18,154,169**	19,047,806
Less: allowance for impairment loss / receivables written down [note 4.1 (b)]	**(11,412,526)**	(11,119,136)	**(14,438,025)**	(13,949,063)
	738,591	1,199,739	**3,716,144**	5,098,743
Due from related parties [note 27 (a)]	**13,750,704**	13,567,495	**11,678,278**	11,820,268
Less: allowance for impairment loss / receivables written down [note 4.1 (b)]	**(12,321,961)**	(12,341,796)	**(10,592,914)**	(10,594,569)
	1,428,743	1,225,699	**1,085,364**	1,225,699
	2,167,334	2,425,438	**4,801,508**	6,324,442

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

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**23,460,932**	22,451,815	**24,543,632**	22,770,933
Charge for the year [note 4.1 (b)]	**273,555**	1,009,117	**487,307**	1,772,699
At 31 December	**23,734,487**	23,460,932	**25,030,939**	24,543,632

x

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 Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
		Restated [note 29]		Restated [note 29]
Rial Omani	**17,591,526**	17,946,010	**19,192,820**	19,571,627
US Dollar	**8,310,295**	7,951,207	**7,951,207**	7,951,207
UAE Dirhams	**-**	-	**2,688,420**	3,309,707
	25,901,821	25,897,217	**29,832,447**	30,832,541

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current. These receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value after discounting the impact of financing component.

The Parent Company and the Group holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Parent Company and the Group's impairment policies and the calculation of the loss allowance are provided in note 4.1(b).

(ii) Carrying and fair values of trade receivables

The carrying amounts of the Group's trade receivables are denominated in Rial Omani, US Dollar and UAE Dirhams. Due to the short-term nature of the current receivables, their carrying amount is considered the same as their fair value.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.1 Trade receivables (continued)

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and Group's exposure to market risk, credit risk and liquidity risk can be found in note 4.

16.2 Cash and cash equivalents

	Parent Company		Consolidated	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Cash on hand	**7,948**	8,883	**16,168**	34,749
Cash at bank:				
Current accounts	**391,396**	361,489	**1,679,707**	1,611,874
Call deposits	**1,463**	4,482	**1,463**	4,482
	392,859	365,971	**1,681,170**	1,616,356
	400,807	374,854	**1,697,338**	1,651,105

(a) Call deposits are placed with the commercial banks at interest rates ranging from 0.5% - 1.5% (2023: 0.5% - 1.5%) per annum.

(b) Reconciliation to cashflow statement

The above figures reconcile to the amount of cash shown in the Parent Company's and consolidated statement of cashflows at the end of the financial year as follows.

	Parent Company		Consolidated	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Balances as above	**400,807**	374,854	**1,697,338**	1,651,105
Less: restricted cash [note 16.2 (c)]	**-**	-	**(74,929)**	-
	400,807	374,854	**1,622,409**	1,651,105
Bank overdrafts (note 16.7)	**(1,107,409)**	(2,206,792)	**(1,107,409)**	(2,206,792)
Balances as per statement of cash flows	**(706,602)**	(1,831,938)	**515,000**	(555,687)

(c) Restricted cash

The cash and cash equivalents disclosed above is RO 74,929, which is held on behalf of the Company's previous shareholders. This amount is subject to legal and regulatory commitments and is therefore restricted in use.

(d) Classification as cash equivalents

Cash and cash equivalents include cash on hand, all bank balances, including deposits with a maturity of three months or less from the date of placement. Bank overdrafts are shown in the statement of financial position under current liabilities.

(e) Net debt reconciliation

Refer to note 16.6 (c).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.3 Financial assets at fair value through other comprehensive income

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Unquoted local equity investment	**125,000**	125,000	**125,000**	125,000
Less: provision for impairment loss	**(125,000)**	(125,000)	**(125,000)**	(125,000)
	-	-	**-**	-

The fair value of the investment in the Dhofar Youth Fund was reduced to nil during the year 2022 as there were no economic benefit flows to the Parent Company and the Group and the financial information were not available.

Significant accounting estimates

The fair value of the investment in the Dhofar Youth Fund was reduced to nil during the year 2022 based on the management judgement that no reliable valuation could be established and that there is no expectation of future economic benefits. This assessment involved significant judgement and reflects management's best estimate based on the available facts and circumstances.

16.4 Financial assets at fair value through profit or loss

(a) As at the reporting date, the financial assets at fair value through profit or loss comprised the following:

	Parent Company and Consolidated	
	2024	2023
	RO	RO
Fair value		
Quoted investments		
Bank Dhofar SAOG, Oman	**2,683,627**	2,752,437
Dhofar Insurance Company SAOG, Oman	**146,666**	166,000
	2,830,293	2,918,437
Un- quoted investments		
Dhofar University SAOC, Oman	**267,300**	267,300
	3,097,593	3,185,737
Cost		
Quoted investments		
Bank Dhofar SAOG	**1,229,700**	1,229,700
Dhofar Insurance Company SAOG	**29,600**	29,600
	1,259,300	1,259,300
Un- quoted investments		
Dhofar University SAOC	**300,000**	300,000
	1,559,300	1,559,300

(b) Investments at fair value through profit or loss comprises of local marketable securities and are measured at fair value at the close of business on 31 December 2024 (2023 - 31 December 2023).

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

	Parent Company and Consolidated	
	2024	2023
	RO	RO
At 1 January	**3,185,737**	3,417,111
Fair value loss	**(88,144)**	(231,374)
31 December	**3,097,593**	3,185,737

(d) The fair values of unlisted securities are based on net asset approach.

(e) Information about the methods and assumptions used in determining fair value is provided in note 3.

(f) Bank Dhofar SAOG and Dhofar Insurance Company SAOG shares are pledged against short term borrowings (Note 16.6).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16.5 Trade and other payables

	Parent Company			Consolidated		
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
Trade payables	**18,796,297**	16,628,598	14,830,946	**22,321,848**	21,441,387	17,596,317
Accrued expenses	**6,036,394**	5,624,744	11,791,588	**5,894,158**	6,493,407	11,944,109
Due to related parties [note 42 (c)]	**3,810,771**	4,324,931	7,366,622	**19,500**	91,000	-
Customer advances*	**1,557,833**	660,097	-	**2,062,268**	684,870	124,556
VAT	**-**	-	-	**14,736**	-	-
Other payables	**269,139**	369,694	412,353	**706,934**	637,171	608,976
	30,470,434	27,608,064	34,401,509	**31,019,444**	29,347,835	30,273,958

* Customer advances are consideration received in advance for the sale of cement. The Group customers pay for their purchases of cement in advance, but the collection is done by the customer in a range of 1 to 10 days. The customer advances are therefore expected to be recognised as revenue within 10 days of the date of the advance.

16.6 Term loans

	Parent Company			Consolidated		
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
Non-current portion						
Bank Dhofar SAOG (loan 1)	**2,700,000**	3,899,377	5,194,167	**2,700,000**	3,899,377	5,194,167
Sohar International Bank SAOG (loan 2)	**3,647,354**	4,112,570	5,049,638	**3,647,354**	4,112,570	5,049,638
Bank Nizwa SAOG (loan 3)	**10,265,726**	11,165,726	11,293,173	**10,265,726**	11,165,726	11,293,173
Ahli Bank SAOG (loan 4)	**1,770,000**	2,370,000	2,700,000	**5,996,841**	2,370,000	2,700,000
Alizz Islamic Bank SAOC	**-**	-		**4,773,611**	3,646,709	
Taageer Finance Company SAOG (loan 5)	**613,708**	749,249	734,303	**1,431,450**	1,552,674	723,115
SME Development Fund (loan 6)	**731,453**	1,390,328	1,800,000	**731,453**	1,390,328	1,800,000
	19,728,241	23,687,250	26,771,281	**29,546,435**	28,137,384	26,760,093

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16.6 Term loans (continued)

	Parent Company			Consolidated		
	31 December 2024	31 December 2023	1 January 2023	**31 December 2024**	31 December 2023	1 January 2023
	RO	RO Restated [note 29]	RO Restated [note 29]	**RO**	RO Restated [note 29]	RO Restated [note 29]
Current portion						
Bank Dhofar SAOG (loan 1)	**1,800,000**	1,200,623	900,000	**1,800,000**	1,200,623	900,000
Sohar International Bank SAOG (loan 2)	**934,183**	937,068	-	**934,183**	937,068	-
Bank Nizwa SAOG (loan 3)	**900,000**	-	-	**900,000**	-	-
Ahli Bank SAOG (loan 4)	**750,000**	600,000	300,000	**939,920**	5,044,109	4,744,109
Al Masraf Bank	**-**	-	-	**8,718,145**	9,882,157	10,634,595
Alizz Islamic Bank SAOC	**-**	-	-	**-**	1,673,519	7,466,007
Taageer Finance Company SAOG (loan 5)	**135,541**	119,691	187,525	**241,237**	339,027	198,712
SME Development Fund (loan 6)	**658,875**	593,499	600,000	**658,875**	593,499	600,000
Transaction costs deferred	**-**	(774,679)	(774,679)	**-**	(774,679)	(774,679)
Accrued interest	**880,572**	1,440,552	336,216	**1,200,201**	1,541,808	636,718
	6,059,171	4,116,754	1,549,062	**15,392,561**	20,437,131	24,405,462
Total term loans	**25,787,412**	27,804,004	28,320,343	**44,938,996**	48,574,515	51,165,555

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

31 December 2024	**Interest rate %**	**Total RO**	**One year RO**	**2 to 3 years RO**	**4 to 10 years RO**
Parent Company					
Bank Nizwa SAOG	**7.00%**	**11,165,726**	**900,000**	**3,300,000**	**6,965,726**
Bank Dhofar SAOG	**3 Month SOFR + 400**	**4,500,000**	**1,200,000**	**3,300,000**	**-**
Sohar International	**7.00%**	**4,581,537**	**937,068**	**937,068**	**2,707,401**
Ahli Bank SAOG	**6.50%**	**2,520,000**	**600,000**	**840,000**	**1,080,000**
Taageer Finance SAOG	**8.06%**	**749,250**	**135,541**	**289,030**	**324,679**
SME Development Fund	**5.79%**	**1,390,328**	**658,875**	**731,453**	**-**
		24,906,841	**4,431,484**	**9,397,551**	**11,077,806**

31 December 2024	**Interest rate %**	**Total RO**	**One year RO**	**2 to 3 years RO**	**4 to 10 years RO**
Consolidated					
Al Masraf Bank	**3 Month EIBOR + 4%**	**8,718,145**	**8,718,145**	**-**	**-**
Bank Nizwa SAOG	**6.35%**	**11,165,726**	**900,000**	**3,300,000**	**6,965,726**
Bank Dhofar SAOG	**3 Month SOFR + 400**	**4,500,000**	**1,200,000**	**3,300,000**	**-**
Sohar International	**4.50%**	**4,581,537**	**937,068**	**937,068**	**2,707,401**
Ahli Bank SAOG	**6.50%**	**6,936,761**	**789,920**	**-**	**6,146,841**
Taageer Finance SAOG	**8.06%**	**1,672,687**	**241,237**	**438,672**	**992,778**
SME Development Fund	**5.79%**	**1,390,328**	**658,875**	**731,453**	**-**
Alizz Islamic Bank	**6.25%**	**4,773,611**	**2,000,673**	**1,875,770**	**897,168**
		43,738,795	**15,445,918**	**10,582,963**	**17,709,914**

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.6 Term loans (continued)

31 December 2023	Interest rate %	Total RO	One year RO	2 to 3 years RO	4 to 10 years RO
Parent Company					
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
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)
		26,363,453	3,422,536	10,599,113	12,341,804
Consolidated					
Al Masraf Bank	3 Month EIBOR + 4%	9,882,157	9,882,157	-	-
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	648,282	-	6,765,827
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)
		47,032,708	15,245,830	11,784,525	20,002,353

(a) Parent Company

(i) The Parent Company obtained a loan of RO 32 million from Bank Dhofar SAOG, repayable in 20 semi-annual variable installments starting from December 2012. The loan is secured by a first pari passu charge over the Parent Company's fixed assets and the assignment of insurance policies, along with other banks. In 2016, the loan was converted into USD without altering the repayment term. In August 2021, the outstanding amount of RO 5.1 million was rescheduled into 11 unequal installments, with a one-year principal moratorium from June 2021 to June 2022. The loan was further rescheduled in August 2023, introducing another one-year principal moratorium from June 2023 to June 2024, without modifying the repayment term. Principal repayment commenced with an interest rate of 3-month LIBOR + 400 bps, which was later revised to SOFR + 400 bps, with a minimum all-in interest rate of 5% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

(ii) Loan 2 - A loan of RO 13.125 million at a fixed interest rate of 2.40% for three years was obtained from Sohar International Bank SAOG to prepay loans with higher interest rates. Repayment was structured into 14 equal semi-annual installments, beginning in December 2016. The loan is secured by a first pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. In December 2021, the outstanding balance of RO 5.049 million was rescheduled into nine unequal semi-annual installments, with a three-year principal moratorium starting in July 2021. The revised loan carries an interest rate of 7% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

(iii) Loan 3 - A Wakala Bel Istithmar financing facility of RO 12 million was obtained through Islamic finance from Bank Nizwa SAOG, carrying a profit rate of 6.35% per annum. The facility is secured by a first pari passu charge over the Parent Company's fixed assets. In December 2021, the outstanding facility was rescheduled into 23 unequal installments, commencing principal repayment in March 2023, with a revised profit rate of 7% per annum, payable quarterly. In 2023, the loan was further rescheduled, with principal repayment beginning in June 2025. The repayment structure now consists of 14 unequal quarterly installments, carrying a profit rate of 7.50% per annum without altering the repayment term.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.6 Term loans (continued)

(iv) Loan 4 - An overdraft facility of RO 3 million, originally obtained as working capital from Ahli Bank SAOG, was converted into a term loan during the facility restructuring in September 2022. The loan has a six-year tenure and is repayable in 22 unequal quarterly installments, with principal repayment commencing at the end of the moratorium period in June 2023. The loan is secured by a pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. The interest rate is 6.5% per annum, currently 7.00% per annum, and is subject to semi-annual review.

(v) Loan 5 - The Parent Company obtained a long-term lease facility of RO 1 million from Taageer Finance Company SAOG in December 2021, with a six-month grace period. The facility is repayable in 90 monthly equal installments at an interest rate of 12.50% per annum. The loan is secured against the mortgage of the Company's equipment.

(vi) Loan 6- The Parent Company obtained a term loan of RO 3 million from the SME Development Fund. The loan is repayable in 60 equal monthly installments at an interest rate of 10.50% per annum. The facility is secured against the mortgage of the plant and machinery of the subsidiary, Sohar Cement Factory SPC.

(b) Subsidiary Companies

(i) Pioneer Cement Industries, UAE

Pioneer Cement Industries obtained a commercial term loan facility from a local commercial bank, repayable over eight years, with the first quarterly installment due in June 2019. The facility is secured against the commercial mortgage of the plant and machinery, promissory notes, and a corporate guarantee from the Parent Company. The loan carries a mark-up of three-month EIBOR + 4% per annum, with a minimum rate of 6% per annum. In January 2023, the term loan was restructured, introducing unequal quarterly installments and extending the repayment period until September 2029.

(ii) Sohar Cement Factory SPC, Oman

Sohar Cement Factory SPC obtained a Diminishing Ijara'h facility of RO 10.786 million through Islamic finance from two Islamic banks as a syndication loan. The facility carries a profit rate of 6.25% per annum, presently 7.00% per annum, on a diminishing balance basis. The Ijara'h facility is repayable in 28 quarterly installments of RO 410,715 each, beginning in June 2019 and concluding in March 2027. The facility is secured by a sale undertaking of fixed assets by creditors, a mortgage or transfer of Usufruct or assignment of Usufruct of the assets, the assignment of all Takaful proceeds with the facility agent designated as a loss payee, and a corporate guarantee from the Parent Company. In December 2024, the facility was restructured, introducing a two-year moratorium commencing in June 2024, with the repayment term extended until December 2031.

(iii) Duqm Cement Factory LLC, Oman

Duqm Cement Factory LLC secured a RO 8.1 million loan from Ahli Bank SAOG for a 10-year term, repayable in 32 unequal quarterly installments following a 24-month moratorium starting in December 2020. In September 2022, the term loan was restructured for the utilized amount of RO 4.444 million, introducing a two-year capital moratorium until September 2024. The loan maturity remains unchanged as per the initial agreement, and repayments will continue in unequal quarterly installments. The loan is secured by a usufruct mortgage over the leased land where the project is being constructed, an exclusive commercial mortgage over total company assets covering 100% of facility exposure, and corporate guarantees from Raysut Cement Company SAOG, Sohar Cement Factory SPC, and Pioneer Cement Industries. The interest rate is 6.5% per annum, subject to semi-annual review.

(c) The banking facilities of the Group have covenant requirements for certain financial ratios, including current ratio, leverage ratio, Debt Service Cover ratio and Tangible net worth ratio. As at the reporting date, the Parent Company and the Group were not in compliance with the required financial covenants. However, waiver letters have been obtained from the financial institutions prior to the year end for certain breached covenants. The borrowing facilities where waiver letters have not been obtained prior to the year end, have been reclassified as current liabilities. These covenants are tested annually on 31 December and there is a significant risk that they may be failed at the end of 2025 requiring further negotiations with the relevant banks that have granted waivers. The impact of this on going concern is disclosed in note 2.1(c).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.6 Term loans (continued)

(c) Net debt reconciliation

	Parent Company		**Consolidated**	
Net debt	**2024 RO**	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Cash and cash equivalents	**400,807**	374,854	**1,697,338**	1,651,105
Term loans	**(25,787,412)**	(27,804,004)	**(44,938,996)**	(48,574,515)
Short term borrowings	**(6,883,744)**	(7,494,833)	**(8,445,552)**	(9,188,784)
Lease liabilities	**(2,429,927)**	(2,592,654)	**(6,550,295)**	(6,837,503)
Loan from a subsidiary	**(6,534,477)**	(6,997,616)	**-**	-
	(41,234,753)	(44,514,253)	**(58,237,505)**	(62,949,697)
Cash and cash equivalents	**400,807**	374,854	**1,697,338**	1,651,105
Gross debt – fixed interest rate	**(34,751,816)**	(37,394,274)	**(51,489,291)**	(55,412,018)
Gross debt – variable interest rate	**(6,883,744)**	(7,494,833)	**(8,445,552)**	(9,188,784)
Net debt	**(41,234,753)**	(44,514,253)	**(58,237,505)**	(62,949,697)

Parent Company

31 December 2024	**Other assets**	**Liabilities from financing activities**				
	Cash and cash equivalents RO	**Term loans RO**	**Short term borrowings RO**	**Loans from a subsidiary RO**	**Lease liabilities RO**	**Total RO**
Net debt as at 1 January 2023	**374,854**	**(27,804,004)**	**(7,494,833)**	**(6,997,616)**	**(2,592,654)**	**(44,514,253)**
Movement in cash	**25,953**	**-**	**-**	**-**	**-**	**25,953**
Proceeds	**-**	**-**	**(15,457,617)**	**-**	**-**	**(15,457,617)**
Repayment of loans	**-**	**2,016,592**	**16,305,485**	**463,139**	**-**	**18,785,216**
Lease repayments	**-**	**-**	**-**	**-**	**12,324**	**12,324**
Interest payments	**-**	**2,824,120**	**431,302**	**623,719**	**53,277**	**3,932,418**
Non-cash						
Accrued interest		**(2,824,120)**	**(668,081)**	**(623,719)**	**(164,640)**	**(4,280,560)**
Others	**-**	**-**	**-**	**-**	**261,766**	261,766
Net debt as at 31 December 2023	**400,807**	**(25,787,412)**	**(6,883,744)**	**(6,534,477)**	**(2,429,927)**	**(41,234,753)**

31 December 2023	Other assets	Liabilities from financing activities				
	Cash and cash equivalents RO	Term loans RO	Short term borrowings RO	Loans from a subsidiary RO	Lease liabilities RO	Total RO
Net debt as at 1 January 2023	137,514	(28,320,343)	(6,230,372)	(6,691,212)	(2,747,670)	(43,852,083)
Movement in cash	237,340					
Proceeds	-	-	(16,705,672)	-	-	(16,705,672)
Repayment of loans		516,339	15,825,482	-	-	16,341,821
Lease repayments	-	-	-	-	19,750	19,750
Interest payments	-	2,214,637	452,801	568,564	53,862-	3,289,864
Non-cash						
Accrued interest	-	(2,214,637)	(837,072)	(874,968)	(180,362)	(4,107,039)
Others	-	-	-	-	261,766	261,766
Net debt as at 31 December 2023	374,854	(27,804,004)	(7,494,833)	(6,997,616)	(2,592,654)	(44,514,253)

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.6 Term loans (continued)

Consolidated

31 December 2024	**Other assets**		**Liabilities from financing activities**		
	Cash and cash equivalents RO	**Term loans RO**	**Short term borrowings RO**	**Lease liabilities RO**	**Total RO**
Net debt as at 1 January 2024	**1,651,105**	**(48,574,515)**	**(9,188,784)**	**(6,837,503)**	**(62,949,697)**
Movement in cash	**46,233**	**-**	**-**	**-**	**46,233**
Proceeds	**-**	**-**	**(17,383,084)**	**-**	**(17,383,084)**
Repayment of loans	**-**	**3,635,519**	**18,165,467**	**-**	**21,800,986**
Lease repayments	**-**	**-**	**-**	**152,020**	**152,020**
Interest payments	**-**	**4,680,786**	**530,116**	**201,122**	**5,412,024**
Non-cash					
	-	**(4,680,786)**	**(569,267)**	**-**	**(5,718,977)**
Accrued interest				**(468,924)**	
Others	**-**	**-**	**-**	**402,990**	**402,990**
Net debt as at 31 December 2024	**1,697,338**	**(44,938,996)**	**(8,445,552)**	**(6,550,295)**	**(58,237,505)**

31 December 2023	Other assets		Liabilities from financing activities		
	Cash and cash equivalents RO	Term loans RO	Short term borrowings RO	Lease liabilities RO	Total RO
Net debt as at 1 January 2024	1,291,010	(51,165,555)	(7,862,763)	(6,438,960)	(64,176,268)
Movement in cash	360,095	-	-	-	360,095
Proceeds	-	-	(18,570,819)	-	(18,570,819)
Repayment of loans	-	2,591,040	17,476,535	-	20,067,575
Lease repayments	-	-	-	182,442	182,442
Interest payments	-	4,425,423	500,801	197,432	5,123,656
Non-cash					
Accrued interest	-	(4,425,423)	(732,538)	(493,304)	(5,651,265)
Others	-	-	-	(285,113)	(285,113)
Net debt as at 31 December 2024	1,651,105	(48,574,515)	(9,188,784)	(6,837,503)	(62,949,697)

16.7 Short term borrowings

	Parent Company		**Consolidated**	
	2024 RO	2023 RO Restated [note 29]	**2024 RO**	2023 RO Restated [note 29]
Short term loans	**5,776,335**	5,288,041	**7,338,143**	6,981,992
Bank overdrafts	**1,107,409**	2,206,792	**1,107,409**	2,206,792
	6,883,744	7,494,833	**8,445,552**	9,188,784

(a) Parent Company

Short term loans and overdrafts are obtained from commercial banks carrying an interest rate of 6.25% to 7.5% (2023: 6% to 6.5%) per annum for a period of 180 days. The loan is secured by the pledge of following securities:

- Shares of Bank Dhofar SAOG and Dhofar Insurance SAOG 15,391,143 and 555,555 respectively (note 16.6).
- Pari-Passu charge on commercial mortgage over the assets of the borrower.
- Assignment of all insurance of all fixed assets (pari-passu with other lenders).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.7 Short term borrowings (continued)

(b) Subsidiary Company

Short term loan is obtained from commercial banks carrying an interest rate of 7% (2023: 6%) per annum for a period of 180 days.

16.8 Trade payable - gas supplier

	Parent Company			Consolidated		
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
Payable as per billing	**38,412,868**	34,046,670	25,318,926	**38,412,868**	34,046,670	25,318,926
Accrued expenses	**9,702,420**	7,827,445	2,347,533	**9,702,420**	7,827,445	2,347,533
Total	**48,115,288**	41,874,115	27,666,459	**48,115,288**	41,874,115	27,666,459

16.9 Lease liabilities

This note provides information for leases where the Company is a lessee.

(a) Amounts recognised in the statement of financial position

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Current	**329,984**	327,360	**581,174**	407,449
Non-current	**2,099,943**	2,265,294	**5,969,121**	6,430,054
Total	**2,429,927**	2,592,654	**6,550,295**	6,837,503

(b) Movement of lease liabilities

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
At 1 January	**2,592,654**	2,747,670	**6,837,503**	6,438,960
Interest charge	**164,640**	180,362	**468,924**	493,304
Payments made during the year	**(327,367)**	(335,378)	**(756,132)**	(94,761)
31 December	**2,429,927**	2,592,654	**6,550,295**	6,837,503

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16 Financial assets and liabilities (continued)

16.9 Lease liabilities (continued)

(c) Obligations under lease arrangement

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Within one year	**484,284**	491,994	**827,933**	839,242
Between two year and five year	**1,844,843**	1,883,425	**3,178,590**	3,234,036
Over five year	**1,130,968**	1,412,036	**5,584,741**	6,115,434
	3,460,095	3,787,455	**9,591,264**	10,188,712
Less: amount representing finance charges	**(1,030,168)**	(1,194,801)	**(3,040,969)**	(3,351,209)
Present value of minimum lease payments	**2,429,927**	2,592,654	**6,550,295**	6,837,503
Less: current portion of lease liability	**(329,984)**	(327,360)	**(581,174)**	(407,449)
Non-current portion of lease liability	**2,099,943**	2,265,294	**5,969,121**	6,430,054

17 Non-financial assets and liabilities

This note provides information about the Company's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
  - Property, plant and equipment (note 17.1)
  - Exploration and evaluation assets (note 17.2)
  - Goodwill (note 17.3)
  - Right-of-use assets (note 17.4)
  - Investments accounted for using the equity method (note 17.5)
  - Investment in subsidiaries (note 17.6)
  - Inventories (note 17.7)
  - Prepayments, advances and other receivables (note 17.8)
  - Provision for employees' end of service benefits (note 17.9)
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment

Parent Company

	Land RO	Buildings civil works RO	Plant and machinery RO	Motor vehicles RO	Furniture and fixtures RO	Office equipment RO	Factory vehicles, equipment and tools RO	Capital work-in-Progress RO	Total RO
Cost or fair value									
At 1 January 2023	-	37,188,858	89,721,575	554,235	255,601	1,684,646	10,103,823	12,684,622	152,193,360
Reclassification of land	205,250	(205,250)	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	417,880	417,880
Transfers	-	-	762,069	-	-	-	145,716	(907,785)	-
At 31 December 2023	205,250	36,983,608	90,483,644	554,235	255,601	1,684,646	10,249,539	12,194,717	152,611,240
Additions	**-**	**74,996**	**429,083**	**-**	**-**	**-**	**53,525**	**-**	**557,604**
Reversal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(35,787)**	**(35,787)**
Elimination of cost (net approach) *	**-**	**(25,697,951)**	**(60,911,068)**	**-**	**-**	**-**	**(8,798,547)**	**-**	**(95,407,566)**
Revaluation (note iii)	**(130,250)**	**2,155,207**	**9,702,456**	**-**	**-**	**-**	**3,988,591**	**-**	**15,716,004**
Transfers	**-**	**46,093**	**239,143**	**-**	**-**	**-**	**-**	**(285,236)**	**-**
At 31 December 2024	**75,000**	**13,561,953**	**39,943,258**	**554,235**	**255,601**	**1,684,646**	**5,493,108**	**11,873,694**	**73,441,495**
Accumulated depreciation and impairment									
At 1 January 2023 (as previously reported)	-	23,155,128	56,181,758	514,909	238,716	1,386,636	7,445,425	-	88,922,572
Provision for impairment (note ii)	-	552,801	187,015	-	-	-	15,913	-	755,729
At 1 January 2023 (restated)	-	23,707,929	56,368,773	514,909	238,716	1,386,636	7,461,338	-	89,678,301
Charge for the year	-	996,140	2,281,487	39,326	6,957	170,067	700,613	-	4,194,590
At 31 December 2023	-	24,704,069	58,650,260	554,235	245,673	1,556,703	8,161,951	-	93,872,891
Charge for the year	**-**	**993,882**	**2,260,808**	**-**	**5,897**	**99,164**	**636,596**	**-**	**3,996,347**
Elimination of cost (net approach) *	**-**	**(25,697,951)**	**(60,911,068)**	**-**	**-**	**-**	**(8,798,547)**	**-**	**(95,407,566)**
Provision for impairment (note ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**311,387**	**311,387**
At 31 December 2024	**-**	**-**	**-**	**554,235**	**251,570**	**1,655,867**	**-**	**311,387**	**2,773,059**
Net carrying value									
At 31 December 2024	**75,000**	**13,561,953**	**39,943,258**	**-**	**4,031**	**28,779**	**5,493,108**	**11,562,307**	**70,668,436**
At 31 December 2023	205,250	12,279,539	31,833,384	-	9,928	127,943	2,087,588	12,194,717	58,738,349

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment (continued)

Consolidated	Land RO	Buildings civil works RO	Plant and machinery RO	Motor vehicles RO	Furniture and fixtures RO	Office equipment RO	Vehicles, equipment and tools RO	Capital work-in-progress RO	Total RO
Cost or fair value									
At 1 January 2023 (previously reported)	-	53,094,374	142,176,187	852,819	476,682	2,364,356	13,477,891	28,041,934	240,484,243
Transferred to exploration and evaluation assets (note 17.2)	-	(2,307,292)	-	-	-	-	-	-	(2,307,292)
Reclassification of land#	205,250	(205,250)	-	-	-	-	-	-	-
Reclassification within asset classes - Maldives	-	414,147	(393,188)	-	-	(44,554)	17,963	-	(5,632)
Reversal of CWIP in Duqm	-	-	-	-	-	-	-	(1,629,811)	(1,629,811)
At 1 January 2023 (restated)	205,250	50,995,979	141,782,999	852,819	476,682	2,319,802	13,495,854	26,412,123	236,541,508
Additions	-	-	995	-	3,697	4,544	36,962	2,304,950	2,351,148
Reversal of Duqm	-	-	-	-	-	-	-	(1,874,783)	(1,874,783)
Disposals	-	-	-	-	-	-	-	(14,336)	(14,336)
Transfers	-	-	762,069	-	-	-	158,003	(920,072)	-
At 31 December 2023 (restated)	205,250	50,995,979	142,546,063	852,819	480,379	2,324,346	13,690,819	25,907,882	237,003,537
Additions	**-**	**78,219**	**555,990**	**46,091**	**272**	**3,196**	**53,525**	**-**	**737,293**
Reversal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(35,787)**	**(35,787)**
Elimination of cost (net approach)*	**-**	**(38,088,663)**	**(83,539,100)**	**-**	**-**	**-**	**(11,996,159)**	**-**	**(133,623,922)**
Revaluation (note iii)	**(130,250)**	**6,721,990**	**10,152,041**	**-**	**-**	**-**	**5,794,135**	**-**	**22,537,916**
Transfers	**-**	**46,093**	**239,143**	**-**	**-**	**-**	**-**	**(285,236)**	**-**
At 31 December 2024	**75,000**	**19,753,618**	**69,954,137**	**898,910**	**480,651**	**2,327,542**	**7,542,320**	**25,586,859**	**126,619,037**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment (continued)

Consolidated (continued)	Land RO	Buildings civil works RO	Plant and machinery RO	Motor vehicles RO	Furniture and fixtures RO	Office equipment RO	Vehicles, equipment and tools RO	Capital work-in-progress RO	Total RO
Accumulated depreciation and impairment									
At 1 January 2023 (previously reported)	-	35,531,016	76,724,696	747,858	429,683	1,845,240	10,210,076	7,638,858	133,127,427
Transferred to exploration and evaluation assets (note 17.2)	-	(1,569,787)	-	-	-	-	-	-	(1,569,787)
Provision for impairment (note ii)	-	552,801	187,015	-	-	-	15,913	-	755,729
Reversal of Maldives	-	408,762	(459,590)	-	601	(15,120)	17,730	-	(47,617)
At 1 January 2023 (restated)	-	34,922,792	76,452,121	747,858	430,284	1,830,120	10,243,719	7,638,858	132,265,752
Charge for the year	-	1,660,505	3,499,595	51,070	15,000	180,772	930,620	-	6,337,562
At 31 December 2023	-	36,583,297	79,951,716	798,928	445,284	2,010,892	11,174,339	7,638,858	138,603,314
Charge for the year	**-**	**1,505,366**	**3,587,384**	**11,177**	**14,665**	**107,649**	**821,820**	**-**	**6,048,061**
Elimination of cost (net approach)*	**-**	**(38,088,663)**	**(83,539,100)**	**-**	**-**	**-**	**(11,996,159)**	**-**	**(133,623,922)**
Impairment of Madagascar	**-**	**-**	**-**	**19,382**	**-**	**3,748**	**-**	**-**	**23,130**
Provision for impairment (note ii) Duqm	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,185,791**	**1,185,791**
At 31 December 2024	**-**	**-**	**-**	**829,487**	**459,949**	**2,122,289**	**-**	**8,824,649**	**12,236,374**
Net carrying value									
At 31 December 2024	**75,000**	**19,753,618**	**69,954,137**	**69,423**	**20,702**	**205,253**	**7,542,320**	**16,762,210**	**114,382,663**
At 31 December 2023	205,250	14,412,682	62,594,347	53,891	35,095	313,454	2,516,480	18,269,024	98,400,223

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment (continued)

(i) Non-current assets pledged as security

The non-current assets are pledged as security against borrowings obtained from commercial banks as at 31 December 2024 and 2023 (note 16.6).

(ii) Impairment loss

An impairment provision of RO 1,067,116 has been recognized in Parent Company and RO 1,945,268 at Group as on 31 December 2024 mainly relating to property, plant and equipment at the Sohar terminal and other delayed projects under capital-work-in progress.

(iii) Revaluation

During the year ended 31 December 2024, the Group adopted the revaluation model for its classes of land, building civil works, plant and machinery and factory vehicles equipment and tools, previously measured using the cost model. The change in accounting policy was made to provide more relevant information regarding the fair value of the Group's assets and their financial position.

The revaluation was carried out by an independent, professionally qualified valuer on 31 December 2024 using the Depreciated Replacement Cost Method (cost approach) for the other classes of revalued property, plant and equipment and for land comparable sales (market approach).

Had the land, building civil works, plant and machinery and factory vehicles equipment and tools been carried under the cost model, the carrying amount as of 31 December 2024 would have been:

	Parent Company	Consolidated
	2024	2024
	RO	RO
Land	205,250	205,250
Building civil works	11,406,747	13,031,629
Plant and machinery	30,240,802	59,802,095
Factory vehicles equipment and tools	1,504,516	1,748,186
	43,357,315	74,787,160

The revaluation surplus (gross of tax) of RO 15,716,004 and RO 22,537,916 has been recognised in other comprehensive income and revaluation reserve shareholders' equity for the Parent Company and the Group.*This is relating to the elimination of the cost and the accumulated depreciation prior to change in valuation approach from cost model to revaluation model.

#This is relating to the transfer of vacant land for development for use by the company

(iii) Depreciation is allocated for the year/year as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
	RO	RO	RO	RO
Cost of sales [note 7]	3,865,173	3,995,887	5,826,788	6,043,624
General and administrative expenses [note 8]	131,174	198,703	221,273	293,938
	3,996,347	4,194,590	6,048,061	6,337,562

(iv) In the prior periods land was classified as part of land, buildings, civils works and mines assets. The comparative figures are represented to classify land separately from buildings and civils works.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.2 Exploration and evaluation assets

	Parent Company		Consolidated		
	31 December 2024 RO	31 December 2023 RO	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
Limestone mining rights					
Cost					
At 1 January and 31 December	**-**	-	**2,307,292**	2,307,292	2,307,292
Amortisation					
At 1 January	**-**	-	**2,307,292**	2,307,292	1,569,787
Amortisation	**-**	-	**-**	-	144,079
Provision for impairment	**-**	-	**-**	-	593,426
31 December	**-**	-	**2,307,292**	2,307,292	2,307,292
Net book amount	**-**	-	**-**	-	-

The exploration and evaluation assets are being amortized using straight line method over the term of the license.

The limestone mining rights are for the subsidiary of Pioneer Cement Industries Georgia Limited in Georgia and Raysut Cement Company S.A.O.G (Branch) in United Arab Emirates. These queries were not operational and hence were impaired by the management restating the prior years. Refer to the note 29 for the details of the restatement.

17.3 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.

On 30 December 2010, the Group acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer') with total consideration of RO 66,532,035. The acquisition was accounted under IFRS 3 Business Combinations.

	RO
Purchase consideration paid on acquisition	**66,532,035**
Less: net identifiable assets acquired in a Business Combination	**(20,733,449)**
	45,798,586
Less: Provision for impairment loss recognized in 2022	**(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**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.3 Goodwill (continued)

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 2024.

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

	2024 RO	2023 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, Oman	**818,482**	818,482
Raysut Maldives Cement Pvt Ltd., Maldives	**2,370,330**	2,517,390
	3,188,812	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 45,798,586 against Pioneer 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 fair value less cost to sell 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:

2024	**Sohar Cement Factory SPC**	**Raysut Maldives Cement Pvt Ltd**
Discount rate (%)	**12.5**	**26.8**
Terminal value (%)	**2**	**2**
Growth rate (%)	**2**	**2**

2023	Sohar Cement Factory SPC	Raysut Maldives Cement Pvt Ltd
Discount rate (%)	12	20
Terminal value (%)	2	2
Growth rate (%)	2	2

Goodwill key assumptions are classified within level 3 as they have significant unobservable inputs.
The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of Sohar Cement Factory SPC and Raysut Maldives Cement Pvt Ltd is based would not cause the aggregate recoverable amount to fall below the aggregate carrying value of the related CGUs.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.4 Right-of-use assets

Parent Company	Leasehold lands RO
Cost	
At 31 December 2023	3,446,229
At 31 December 2024	**3,446,229**
Accumulated depreciation	
At 1 January 2023	897,614
Charge for the year	224,402
At 31 December 2023	1,122,016
Charge for the year	**224,403**
At 31 December 2024	**1,346,419**
Net carrying value	
At 31 December 2024	**2,099,810**
At 31 December 2023	2,324,213
Consolidated	
Cost	
At 1 January 2023	7,289,716
Additions	689,350
At 31 December 2023	7,979,066
Additions	**5,902**
At 31 December 2024	**7,984,968**
Accumulated depreciation	
At 1 January 2023	1,470,252
Charge for the year	441,280
At 31 December 2023	1,911,532
Charge for the year	**441,470**
At 31 December 2024	**2,353,002**
Net carrying value	
At 31 December 2024	**5,631,966**
At 31 December 2023	6,067,534

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Parent Company				
Salalah factory land (refer (a) below]	**1,447,111**	1,628,000	**1,447,111**	1,628,000
Duqm terminal land (refer (b) below]	**652,699**	696,213	**652,699**	696,213
	2,099,810	2,324,213	**2,099,810**	2,324,213
Subsidiaries				
Sohar factory land (refer (d) below]	**-**	-	**1,217,546**	1,291,145
Duqm Cement factory land (refer (e) below]	**-**	-	**1,506,049**	1,566,291
Pioneer Cement factory land (refer (f) below]	**-**	-	**429,482**	467,935
Raysut Maldives factory land (refer (g) below]	**-**	-	**359936**	389,289
Raysut Maldives office building (refer (g) below]	**-**	-	**19,143**	28,661
	-	-	**3,532,156**	3,743,321
	2,099,810	2,324,213	**5,631,966**	6,067,534

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.4 Right-of-use assets (continued)

(a) 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. The lease was renewed after expiry, the renewed lease terms is for 30 years.

(b) The Parent Company has a lease agreement for a period of 30 years with Duqm Industrial Land Company LLC to operate the terminal at Duqm port area.

(c) The Parent Company has a lease agreement with C.Steinweg Oman LLC for the terminal facility in Sohar port for a period of 18 years since 2008. However, right-of-use assets and lease liability had not been recognized due to the dispute relating to access rights with the lessor.

(d) 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.

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

(f) 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.

(g) The factory land of the subsidiary, Raysut Maldives Cement Private Limited, has a lease period of 15 years from 2020 with Housing Development Corporation PLC and the office building in the Male city office is for a lease period of 5 years from 2021 with Faamdheyrige Development Pvt Ltd.

(h) Amounts recognised in the statement of comprehensive income.

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Depreciation expense of right-of-use assets)	**224,403**	224,402	**441,470**	441,280
Interest expense on lease liabilities (note 12)	**164,640**	180,362	**468,924**	493,304
Expense relating to short-term leases (note 8)	**76,400**	65,400	**76,400**	65,400

Depreciation is allocated as follows:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cost of sales [note 7]	**180,889**	180,889	**328,196**	328,007
General and administrative expenses [note 8]	**-**	-	**69,760**	69,760
Selling and distribution expenses [note 10]	**43,514**	43,513	**43,514**	43,513
	224,403	224,402	**441,470**	441,280

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.4 Right-of-use assets (continued)

(i) During the year, the Parent Company and the Group had total cash outflow for leases of RO 327,367 (2023 – RO 335,378) and RO 756,132 (2023 – RO 94,761) respectively.

17.5 Investments accounted for using the equity method

(a) The Group applies equity method of accounting for the investment in associates.

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cost	**113,343**	113,343	**113,343**	113,343
Less: impairment allowance	**(113,343)**	(113,343)	**(113,343)**	(113,343)
	-	-	**-**	-

Investment in Mukalla Raysut Trading and Industrial Company ('MRTIC') represent 49% (2023: 49%) equity interest, a limited liability company, incorporated in Republic of Yemen. No profit or loss recognised during the year as latest financial statements of the associate are not available at the time of the issuance of these Parent Company's and consolidated financial statements. Accordingly, an impairment provision of RO 113,343 has been recognized in Parent Company and the Group as on 31 December 2024 and 2023.

17.6 Investment in subsidiaries

	2024 RO	2023 RO
Pioneer Cement Industries, UAE [refer (a) below]	**66,532,035**	66,532,035
Less: Provision for impairment loss	**(52,522,928)**	(52,522,928)
	14,009,107	14,009,107
Sohar Cement Factory SPC, Oman [refer (b) below]	**12,524,568**	12,524,568
Raysut Barwaaqo Cement Company LLC [refer (c) below]	**102,000**	102,000
Less: Provision for impairment loss	**(102,000)**	-
	-	102,000
Raysut Maldives Cement Private Limited [refer (d) below]	**3,093,205**	3,240,265
Raysut Cement Trading Madagascar [refer (e) below]	**99**	99
Less: Provision for impairment loss	**(99)**	(99)
	-	-
Duqm Cement Factory LLC, Oman [refer (f) below]	**150,000**	150,000
	29,776,880	30,025,940

(a) 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. This investment was impaired by RO 52,522,928 in 2022

(b) 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.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.6 Investment in subsidiaries (continued)

(c) Investment in Raysut Burwaqo Cement Company ('RBCC') represents 51% (2023: 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. During the year, management has made a full impairment provision on prudence basis.

(d) 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. During the year, the investment has decreased by RO 147,060 due to the repayment of partial amount of the capital contribution by the subsidiary. However, there is no change to the shareholding of 75% (2023:75%).

(e) 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.

(f) 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.

Movement of impairment provision

	Parent Company	
	2024	2023
	RO	RO
At 1 January	**52,523,027**	52,523,027
Provision for the year	**102,000**	-
At 31 December	**52,625,027**	52,523,027

At the reporting date, management has tested the investments in subsidiaries for impairment in accordance with IAS 36 "Impairment of Assets" and an impairment was identified and recorded an impairment of RO 102,000 (2023: Nil) since the estimated recoverable amounts of these investments is lower than their carrying values.

The recoverable amount of the investments in subsidiaries assessed to have impairment indicators as at 31 December 2024 will increase/decrease and the resulting impairment loss during the year and equity as at 31 December 2024 will increase/decrease by the following amounts, assuming that the key input changes with all other inputs remaining unchanged:

Change in key input	Impact on recoverable amount and impairment loss
Terminal growth rate	
- absolute change of +0.5%	Increase in recoverable amount by RO 1.39 million. No further impairment
- absolute change of -0.5%	Decrease in recoverable amount by RO 1.26 million. No further impairment.
Discount rate	
- absolute change of +1%	Decrease in recoverable amount by RO 3.51 million. No further impairment.
- absolute change of -1%	Increase in recoverable amount by RO 4.25 million. No further impairment

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.6 Investment in subsidiaries (continued)

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

	Total assets		Total liabilities		Net assets	Revenue	Profit / (loss)
	Non-current	**Current**	**Non-current**	**Current**			
	RO	**RO**	**RO**	**RO**	**RO**	**RO**	**RO**
31 December 2024							
Pioneer Cement Industries	**29,996,531**	**16,794,477**	**942,484**	**15,480,149**	**30,368,379**	**17,661,281**	**(2,881,010)**
Sohar Cement Factory SPC	**16,745,464**	**3,017,131**	**6,867,830**	**6,118,704**	**6,776,061**	**13,563,315**	**(421,432)**
Raysut Burwaqo Cement Company	**-**	**147,053**	**-**	**4,000**	**143,053**	**-**	**(4,021)**
Raysut Maldives Cement Private Ltd.	**806,949**	**1,766,071**	**593,595**	**761,945**	**1,217,480**	**2,636,582**	**(91,703)**
Raysut Cement Trading Madagascar	**-**	**-**	**-**	**--**		**-**	**1,128,821**
Duqm Cement Factory LLC	**5,713,323**	**1,549**	**5,808,246**	**4,053,409**	**(4,146,783)**	**-**	**(1,512,692)**

	Total assets		Total liabilities		Net assets	Revenue	Profit / (loss)
	Non-current	Current	Non-current	Current			
	RO	RO	RO	RO	RO	RO	RO
31 December 2023							
Pioneer Cement Industries	23,109,011	20,501,681	1,026,432	17,542,597	25,041,664	18,242,781	(1,886,070)
Sohar Cement Factory SPC	20,948,752	4,386,687	5,584,038	9,030,218	10,721,183	15,472,140	(662,628)
Raysut Burwaqo Cement Company	149,074	-	2,000	-	147,074	-	(751)
Raysut Maldives Cement Private Ltd.	820,892	1,797,195	628,241	535,043	1,454,803	2,984,707	169,210
Raysut Cement Trading Madagascar	139,756	629,127	1,897,704		(1,128,822)	-	-
Duqm Cement Factory LLC	10,152,563		6,052,982	6,521,029	(2,421,448)	-	(193,576)

17.7 Inventories

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Raw materials	**1,252,743**	1,050,798	**1,721,367**	1,410,794
Work-in-progress	**9,441,135**	8,939,884	**10,548,610**	11,632,819
Finished goods	**1,047,565**	3,164,538	**1,948,200**	4,003,094
Provision for inventories [note 17.7(a)]	**-**	(3,413,267)	**-**	(3,413,267)
	11,741,443	9,741,953	**14,218,177**	13,633,440
Spares and consumables	**7,220,078**	6,741,129	**10,871,489**	10,971,484
Allowance for slow-moving spares [note 17.7 (b)]	**(3,048,072)**	(2,928,072)	**(4,334,185)**	(3,888,867)
	15,913,449	13,555,010	**20,755,481**	20,716,057

(a) Movement in provision for inventories is as follows:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**3,413,267**	3,413,267	**3,413,267**	3,413,267
Write off during the year [note 7]	**(3,413,267)**	-	**(3,413,267)**	-
	-	3,413,267	-	3,413,267

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.7 Inventories (continued)

(b) Movement in allowance for slow-moving spares is as follows:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**2,928,072**	2,808,072	**3,888,867**	3,490,537
Charge for the year [note 7]	**120,000**	120,000	**445,318**	398,330
At 31 December	**3,048,072**	2,928,072	**4,334,185**	3,888,867

(c) Inventories of RO 6,256,138 (2023: RO 7,241,688) and RO 19,103,735 (2023: RO 15,693,225) of Parent Company and the Group respectively were recognized as an expense during the year and included in cost of sales.

17.8 Prepayments, advances and other receivables

	Parent Company		Consolidated		
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	1 January **2023**
	RO	RO	**RO**	RO	RO
				Restated [note 29]	Restated [note 29]
Advances and deposits	**3,253,535**	3,207,572	**4,208,970**	4,694,364	4,127,467
Less: Write downs - refer to note 26(a)*	**(2,545,636)**	(2,545,636)	**(2,545,636)**	(2,545,636)	(2,545,636)
Less: Recovery provision	**(370,519)**	(439,815)	**(1,311,400)**	(1,424,536)	(1,160,447)
	(2,916,155)	(2,985,451)	**(3,857,036)**	(3,970,172)	(3,706,083)
	337,380	222,121	**351,934**	724,192	421,384
Other receivables from related parties [note 27(b)]	**23,270,650**	22,663,484	**15,804,632**	15,804,632	15,813,744
Less: Write downs - refer to note 26(a)*	**(10,586,735)**	(10,586,735)	**(10,586,735)**	(10,586,735)	(10,586,735)
Less: Recovery provision	**(11,016,633)**	(10,635,861)	**(5,217,897)**	(5,217,897)	(5,227,009)
	(21,603,368)	(21,222,596)	**(15,804,632)**	(15,804,632)	(15,813,744)
	1,667,282	1,440,888	**-**	-	-
Receivable from tax authorities	**559,139**	559,139	**559,139**	559,139	559,139
Less: Adjustments relating to prior years	**(559,139)**	(559,139)	**(559,139)**	(559,139)	(559,139)
	-	-	**-**	-	-
Prepayments	**-**	-	**93,035**	83,773	78,752
VAT receivable	**304,992**	199,124	**304,992**	483,393	509,065
Advances to staff	**-**	-	**37,638**	56,963	56,684
Other receivables	**1,779,646**	1,779,646	**2,630,205**	2,369,033	2,472,755
Less: Write downs - refer to note 26(a)*	**(1,779,646)**	(1,779,646)	**(1,779,646)**	(1,779,646)	(1,779,646)
Less: Recovery provision	**-**	-	**(826,004)**	-	(20,427)
	(1,779,646)	(1,779,646)	**(2,605,650)**	(1,779,646)	(1,800,073)
	-	-	**24,555**	589,387	672,682
	2,309,654	1,862,133	**812,154**	1,937,708	1,738,567

*The balances shown above and written down relate to the issues with previous management described in note 26(b)(i). The classifications reported relate to the original assets but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17 Non-financial assets and liabilities (continued)

17.8 Prepayments, advances and other receivables (continued)

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

	Parent Company		Consolidated		
	31 December 2024 RO	31 December 2023 RO	**31 December 2024 RO**	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]
At 1 January	**26,546,832**	25,868,700	**22,113,589**	21,879,039	21,458,149
Charge for the year	**311,476**	678,132	**712,868**	234,550	420,890
At 31 December	**26,858,308**	26,546,832	**22,826,457**	22,113,589	21,879,039

17.9 Provision for employees' end of service benefits

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
At 1 January	**710,303**	532,595	**1,293,756**	1,112,866
Charge for the year [note 9]	**-**	193,767	**37,182**	272,436
Adjustments	**-**	9,864	**-**	9,864
Paid during the year	**(33,880)**	(25,923)	**(129,731)**	(101,410)
	676,423	710,303	**1,201,207**	1,293,756

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the net present value of its obligations as at 31 December 2024 and 2023, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law 2023 and the Social Security Law of 1991. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 6% (2023 - 6%) per annum. Under this method, an assessment has been made of an employee's expected service life with the Parent Company and the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs of 5% (2023 - 5%) per annum.

18 Share capital

	Parent Company	
	2024 RO	2023 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 (2023: 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.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

18 Share capital (continued)

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

	% Share holding		Shares held	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Abu Dhabi Fund for Development, UAE	**15.00**	15.00	**30,000,000**	30,000,000
Social Protection Fund, Oman	**14.97**	-	**29,946,009**	-
Islamic Development Bank	**11.71**	11.71	**23,415,000**	23,415,000
Dolphin International LLC, Oman	**10.33**	10.33	**20,657,710**	20,657,710
Schwenk Cement Nederland B.V.,Netherland	**10.00**	10.00	**20,001,001**	20,001,001
	62.01	47.04	**124,019,720**	94,073,711
Others	**37.99**	52.96	**75,980,280**	105,926,289
	100.00	100.00	**200,000,000**	200,000,000

19 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.

20 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.

21 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 Board of Directors resolved to transfer the reserve to retained earnings.

22 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 Board of Directors resolved to transfer the reserve to retained earnings.

23 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 Company			Consolidated		
	31 December 2024 RO	31 December 2023 RO Restated (note 29)	1 January 2023 RO Restated (note 29)	**31 December 2024 RO**	31 December 2023 RO Restated (note 29)	1 January 2023 RO Restated (note 29)
Net assets (RO)	**1,665,857**	(4,102,915)	4,100,224	**8,672,851**	2,644,281	13,722,917
Number of shares outstanding	**200,000,000**	200,000,000	200,000,000	**200,000,000**	200,000,000	200,000,000
Net asset per share (RO)	**0.008**	(0.021)	0.021	**0.043**	0.013	0.069

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

24 Basic and diluted loss per share

	Parent Company		Consolidated	
	2024 RO	2023 RO Restated (note 29)	**2024 RO**	2023 RO Restated (note 29)
Net loss for the year (RO)	**(7,589,831)**	(8,203,139)	**(12,958,436)**	(11,169,969)
Weighted average number of shares	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Basic and diluted loss per share	**(0.038)**	(0.041)	**(0.065)**	(0.055)

25 Commitments

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Capital commitments				
Civil and structural	**21,760**	393,502	**21,760**	393,502
Plant and machinery	**22,100**	38,000	**22,100**	38,000
Others	**5,500**	18,580	**5,500**	18,580
	49,360	450,082	**49,360**	450,082
Purchase commitments	**1,477,149**	3,966,515	**4,093,605**	7,076,715

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

26 Contingencies

(a) Guarantees, letters of credit and commitments

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Letters of credit	**491,416**	27,704	**4,608,649**	27,704
Guarantee and performance bond	**490,000**	490,000	**533,658**	533,658
Relating to litigations*	**-**	500,000	**-**	627,793
	981,416	1,017,704	**5,142,307**	1,189,155

* Certain supplier related contingent liabilities were reassessed and removed following further investigation into historical transactions refer to note 26 for further information.

The Parent Company had given guarantees in respect of banking facilities provided to subsidiaries in Oman and United Arab Emirates as follows:

	2024 RO	2023 RO
Guarantee amount	**31,509,601**	31,509,601
Utilisation at reporting date	**17,908,517**	19,646,494

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

26 Contingencies (continued)

(b) Legal cases and arbitrations

i. Criminal case against the former Board of Directors and the management

The Parent Company and the Public Prosecution filed a criminal case against then Board of Directors and the management in 2022 in connection with fraudulently misappropriating funds. The Public Prosecution commenced the criminal investigation against the defendants following an investigation by the Financial Services Authority ("FSA'). The FSA initiated an investigation on 31 July 2022 on the sudden financial deterioration of the Parent Company. On 24 November 2022, FSA submitted its report and identified critical issues within the Parent Company's operations.

On 2 October 2023, the Public Prosecution referred the case to the Muscat Appeal Court (Criminal Division) and charged the defendants with various criminal offences.

The legal consultant of the Parent Company submitted a request to the Court to be joined with the Public Prosecution of their request for the trial of the defendants and submitted a civil claim against the defendants to the Court and requested to oblige the defendants, jointly or severally to pay the Parent Company its civil rights amounting to RO 50,691,874 for their joint illegal acts that have caused substantial losses to the Parent Company.

On 26 June 2024 the Court issued its judgement and convicted the defendants of varying crimes. Penalties and imprisonment sentences were imposed on the defendants and the defendants were ordered, jointly and severally, to pay the Parent Company a total amount of RO 50,140,416 in relation to the civil claim.

Following the Primary Court judgement issued on 26 June 2024, the defendants filed appeals to the Supreme Court. On 17 December 2024, the Supreme Court issued its ruling and accepted certain appeals filed in appealing against the Parent Company and the Public Prosecution and the Supreme Court referred the civil claim to the Muscat Appeal Court.

However, the probable outcome of the case is early to conclude as at the reporting date.

ii. Arbitration of Sohar terminal case

The Parent Company and the lessor of the cement facility at Sohar (Sohar terminal) commenced International Chamber of Commerce (ICC) Arbitration against the lessor's claim that the Parent Company has not paid the fees for the services rendered by the lessor as per the service agreement and damages for not removing the facility from the lessor's land and the restoration cost of the land. The lessor has partially quantified its claim as RO 2,549,957 which the Parent Company has already accrued for. However, the Parent Company is in the process of quantifying its counterclaim. Therefore, the outcome of the arbitration is not probable to assess as at the reporting date. However, management has made an impairment of RO 755,729 for the assets of the Sohar terminal restating its prior year financial statements as the access rights to facility revoked in prior years (refer to note 17.1 and note 29).

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

27 Related party transactions and balances

The Group's related parties include the shareholders, related entities, key management personnel, close family members of key management personnel and entities which are controlled, jointly controlled or significantly influenced by key management personnel or their close family members. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the group and includes members of the boards of directors of the Group.

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:

(a) Due from related parties (trading receivables):

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Subsidiary companies:				
Raysut Maldives Cement Private Limited	**347,428**	22,229	**-**	-
Less: write downs*	**(4,049)**	(22,229)	**-**	-
	343,379	-	**-**	-
Raysut Cement Trading Madagascar	**1,724,998**	1,724,998	**-**	-
Less: write downs*	**(1,724,998)**	(1,724,998)	**-**	-
	-	-	**-**	-
Total	**343,379**	-	**-**	-
Associate company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**1,098,163**	1,240,153	**1,098,163**	1,240,153
Less: write downs*	**(12,799)**	(14,454)	**(12,799)**	(14,454)
Total	**1,085,364**	1,225,699	**1,085,364**	1,225,699
Other related parties:				
RCC Trading DMCC	**10,580,115**	10,580,115	**10,580,115**	10,580,115
Less: write downs*	**(10,580,115)**	(10,580,115)	**(10,580,115)**	(10,580,115)
	-	-	**-**	-
Total	**1,428,743**	1,225,699	**1,085,364**	1,225,699

*The balances shown above and written down relate to the issues with previous management described in note 26(b)(i). The classifications reported relate to the original assets but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

27 Related party transactions and balances (continued)

(b) Due from related parties (other receivables):

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Subsidiary companies:				
Sohar Cement Factory SPC	**590,007**	470,964	**-**	-
Less: write down*	**(6,877)**	(5,489)	**-**	-
	583,130	465,475	**-**	-
Duqm Cement Factory LLC	**6,876,011**	6,387,888	**-**	-
Less: write down*	**(5,791,859)**	(5,412,475)	**-**	-
	1,084,152	975,413	**-**	-
Total	**1,667,282**	1,440,888	**-**	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**2,895,178**	2,895,178	**2,895,178**	2,895,178
Less: write down*	**(2,895,178)**	(2,895,178)	**(2,895,178)**	(2,895,178)
Total	**-**	-	**-**	-
Other related parties:				
Raysea Navigation S.A	**2,322,719**	2,322,719	**2,322,719**	2,322,719
Less: write down*	**(2,322,719)**	(2,322,719)	**(2,322,719)**	(2,322,719)
	-	-	**-**	-
RCC Trading DMCC	**10,475,564**	10,475,564	**10,475,564**	10,475,564
Less: write down*	**(10,475,564)**	(10,475,564)	**(10,475,564)**	(10,475,564)
	-	-	**-**	-
RCC Holding Company	**78,208**	78,208	**78,208**	78,208
Less: write down*	**(78,208)**	(78,208)	**(78,208)**	(78,208)
	-	-	**-**	-
RCC MSG Somaliland	**32,963**	32,963	**32,963**	32,963
Less: write down*	**(32,963)**	(32,963)	**(32,963)**	(32,963)
Total	**-**	-	**-**	-
Total	**1,667,282**	1,440,888	**-**	-

*The balances shown above and written down relate to the issues with previous management described in note 26(b)(i). The classifications reported relate to the original assets but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

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

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

27 Related party transactions and balances (continued)

(c) Loan from a subsidiary:

	Parent Company			Consolidated	
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**2024 RO**	2023 RO
At 1 January	**6,997,616**	6,691,212	7,775,748	-	-
Interest capitalised on loan modification	**-**	306,404	-	-	**-**
Repaid during the year	**(463,139)**	-	(1,084,536)	-	**-**
31 December	**6,534,477**	6,997,616	6,691,212	-	**-**

	Parent Company			Consolidated	
	31 December 2024 RO	31 December 2023 RO Restated [note 29]	1 January 2023 RO Restated [note 29]	**2024 RO**	2023 RO
Current	**6,534,477**	6,997,616	6,691,212	-	**-**
Non-current	**-**	-	-	-	**-**
	6,534,477	6,997,616	6,691,212	-	**-**

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.).

(c) Due to related parties:

	Parent Company		Consolidated	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Subsidiary Companies:				
Pioneer Cement Industries	**3,649,080**	4,089,740	-	**-**
Raysut Burwaqo Cement Co. LLC	**142,191**	144,191	-	**-**
	3,791,271	4,233,931	-	**-**
Other related parties:				
Board of Directors	**19,500**	91,000	**19,500**	91,000
	3,810,771	4,324,931	**19,500**	91,000

Amounts due from/due to related parties are unsecured, interest free and have mutually agreed terms.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

27 Related party transactions and balances (continued)

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

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Sale of goods and services:				
Subsidiary Companies:				
Raysut Maldives Cement Private Limited	**1,032,962**	1,217,690	**-**	-
Associate company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**4,392,961**	5,392,599	**2,930,090**	5,392,599
	5,425,923	6,610,289	**2,930,090**	5,392,599

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Entities related to directors:				
Galfar Engineering and Contracting SAOG	**4,008**	17,461	**4,008**	17,461
Galfar Aspire Readymix LLC	**12,431**	173,995	**12,431**	173,995
	16,439	191,456	**16,439**	191,456
Purchase of goods and services:				
Subsidiary companies:				
Pioneer Cement Industries	**21,296**	-	**-**	-
Entities related to directors:				
Galfar Gases LLC	**-**	7,829	**-**	-
Dhofar Insurance Company SAOG	**-**	1,167,686	**755,135**	1,199,969
	21,296	1,175,515	**755,135**	1,199,969
Expenses paid:				
Subsidiary Companies:				
Duqm Cement Factory LLC	**117,623**	131,093	**-**	-
Sohar Cement Factory SPC	**2,350**	19,154	**-**	-
Raysut Barwaaqo Cement Company LLC	**2,000**	1,200	**-**	-
	121,973	20,485	**-**	-

(e) Due from and due to entities related to directors:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Due from entities related to directors:				
Galfar Engineering and Contracting SAOG*	**-**	52,075	**-**	52,075
Galfar Aspire Readymix LLC*	**-**	143,047	**-**	143,047
	-	195,122	**-**	195,122
Due to entities related to directors:				
Dhofar Insurance Company SAOG*	**-**	1,216,176	**-**	1,216,176
	-	1,216,176	**-**	1,216,176

*Entity was a related party for the part of the period upto May 2024, and it was a related party during the period ended 2023.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

27 Related party transactions and balances (continued)

(f) Key management compensation:

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Board sitting fees [note 8]	**63,000**	50,000	**63,000**	50,000
Directors' travelling allowance [note 8]	**1,243**	4,424	**1,243**	4,424
Directors' remuneration [note 8]	**150,000**	150,000	**162,590**	150,000
	214,243	204,424	**226,833**	204,424
Short-term employment benefits:				
Salaries and allowances	**215,946**	224,854	**215,946**	224,854
	215,946	224,854	**215,946**	224,854
Post-employment benefit	**-**	3,035	**-**	3,035
	-	3,035	**-**	3,035
	215,946	227,889	**215,946**	227,889

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).

28 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 which is the sale of cement. The Group Board of Directors use Net profit as a profit measure of the Group.

The Group sells its products primarily in Sultanate of Oman (local) and Yemen and other Gulf Co-operation Council ("GCC"), Africa (exports) breaking down by country/region.

(a) Revenue from major products

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

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Ordinary Portland Cement (OPC)	**27,380,309**	26,785,113	**45,899,379**	37,797,501
Portland Limestone Cement (PLC)	**5,636,752**	4,898,412	**15,366,134**	13,820,534
Others (OWC, SRC, CE/NF & Pozmix)	**3,359,947**	4,259,043	**6,834,941**	12,746,307
Clinker	**2,052,436**	1,524,010	**2,168,606**	1,178,577
	38,429,444	37,466,578	**70,269,060**	65,542,919

Revenue reported above represents revenue generated from external customers. 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.

(b) Information about major customers

The Group's revenue includes sales to top 10 customers amounting to RO 42.7 million (2023: RO 25.7 million). The Parent Company's revenue includes sales to top 10 customers amounting to RO 26.7 million (2023: RO 25.7 million). Revenue from one customer amounted to RO 12,555,446 (2023: RO 10,164,287) of the Group and RO 12,555,446 (2023: RO 10,164,287) of the Parent Company.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

28 Segment information (continued)

(c) Country wise sales are as follows;

	Parent Company		Consolidated	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Sultanate of Oman	**16,408,438**	16,273,500	**33,730,981**	34,735,676
Somalia	**14,684,723**	11,753,402	**14,684,723**	11,753,402
United Arab Emirates	**-**	-	**12,552,332**	7,845,119
Yemen	**5,153,146**	6,970,771	**5,153,146**	6,970,771
Tanzania	**1,138,945**	1,033,654	**1,138,945**	1,033,654
Maldives	**1,032,962**	1,217,690	**2,998,078**	2,986,736
Seychelles	**-**	193,361	**-**	193,361
Sudan	**-**	24,200	**-**	24,200
India	**11,230**	-	**11,230**	-
	38,429,444	37,466,578	**70,269,435**	65,542,919

29 Restatements

Management has re-evaluated the presentation of certain transactions and balances in the Statement of financial position, Statement of Comprehensive income, statement of changes in equity and Statement of cash flows to determine if certain transactions and balances have been presented appropriately in line with the requirements of IFRS Accounting Standards. Where necessary, changes in presentation were made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors".

29.1 Parent company separate financial statements

a) The Company maintains a cash and cash equivalent clearing account for the actual cashflows paid to settle trade payables until amounts are formally allocated to creditors in the ledger. Also there is a receivable clearing account that acts as a contra-receivables account until amounts can be allocated to clear specific receivables. These two clearing accounts were incorrectly mapped during the preparation of the financial statements in the prior year with both being treated as part of trade payables instead of cash and receivables respectively. In the cash flow statement, the compensating adjustment for the change in cash described above lies in changes in working capital amounts.

b) The Company had breached term loan covenant tests as at 31 December 2023 and 31 December 2022 and consequently, the Company did not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. However, the respective term loan balances were classified as non-current liabilities instead of current liabilities in the statement of financial position for the respective prior periods. These have been restated and reclassified as current liabilities.r

c) In the prior years, accrued interest on term loans and short-term borrowings were included within 'Trade and other payables', instead of being presented as part of the related loan liability carried at amortised cost. The Parent Company has reclassified these balances from 'Trade and other payables' to 'Long-term loans – current portion' and short-term borrowing-current portion in the statement of financial position and adjusted the comparative figures accordingly.

   Furthermore, the Company incorrectly classified certain term-loans as short-term borrowing in current liabilities and certain short-term borrowing (specifically bank overdraft) were incorrectly presented as trade and other payables in the statement of financial position. However, all amounts are current liabilities, even the term loans, due to the covenant breach explained in point (b) above. The term-loans were therefore incorrectly presented as current short-term borrowings instead of current term loans and the short-term borrowing (bank-overdraft) was incorrectly presented as trade and other payable instead of short-term borrowing.
   In the cash flow statement, the compensating adjustment for the change in cash (overdrafts) described above lies in changes in working capital amounts.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.1 Parent company separate financial statements (continued)

d) In the prior years, the Company management has classified short-term trade and other payable-gas supplier as non-current liability instead of current liability in the statement of financial position. In addition, the balance was understated due to the failure to identify supplier invoicing that was not in accordance with contractually agreed rates and the omission of liabilities for interest charges on the long overdue invoices. The description of this account has also been changed from other liabilities to trade and other payable-gas supplier and the corresponding expense has been reflected under cost of sales. Comparative figures are adjusted to correct these errors.

e) The Company have port terminal assets consisting of immovable lease improvement which are constructed on the leased land that the company access to the premises is revoke by the lessor due to long overdue lease payment. The access to the premises is conditional on the company settling the overdue lease payments. Sence the suspension of the access to the premises, there have been no settlement of these overdue lease payments, and the company remain with no access to the premises. However, this site had never been tested for impairment in accordance with IAS 36 requirements because indicators were present. Historic budgets existed for each location allowing the impairment test to be done at previous dates without the use of hindsight. Consequently, the Company performed impairment tests for this site using contemporaneous data at the start of the earliest comparative period which was the earliest date it was practicable to compute the restatement at in accordance with IAS 8. Management restated the comparative figures to correct these errors. The impact of this impairment was to write off the asset entirely as at 1 January 2023 and to reverse the related depreciation expense accounted for in the reporting period ended 31 December 2023.

f) Impairment on financial assets was not presented separately on the face of statement of profit or loss and other comprehensive income.

g) The cash inflow and out flow from 'Term-Loans' and 'Short-term borrowing' were aggregated and presented on net basis. The short-term borrowing cash flows continue to be presented on a net basis but separately from cash flow from Term-Loans which is corrected and presented on a gross basis. Furthermore, the line-item finance cost paid on leases was misstated in the prior year with the compensating error in the movement in payables. Amounts have been corrected and the lease interest cost presented together with other interest expenses.

A third statement of financial position has been presented as the changes were considered material to the statement of financial position at the start of the comparative period

In addition to the above restatements, the Company has also changed accounting policy to measure certain classes of property, plant, and equipment at revalued amounts instead of cost. In accordance with IAS 8 this change in policy is made prospectively. See note 2.14 for further information.

The above errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.1 Parent company separate financial statements (continued)

Restatements in comparatives in the Statement of financial position of the parent company

Statement of financial position (Extracts)

	Ref	2023 – As previously reported RO	Adjustment RO	2023 – restated RO
Non-current assets				
Property, plant and equipment	e	59,494,078	(755,729)	58,738,349
Total non-current assets		**91,844,231**	**(755,729)**	**91,088,502**
Current assets				
Trade receivables	a	2,436,285	(10,847)	2,425,438
Cash and cash equivalents	a	411,727	(36,873)	374,854
Total current assets		**21,450,892**	**(47,720)**	**21,403,172**
Total assets		**113,295,123**	**(803,449)**	**112,491,674**
(Accumulated losses)/retained earnings	d,e	(46,710,309)	(7,516,145)	(54,226,455)
Total equity		**3,413,231**	**(7,516,145)**	**(4,102,915)**
Non-current liabilities				
Term loans	b	29,289,525	(5,602,275)	23,687,250
Other liabilities	d	12,996,768	(12,996,768)	-
Total non-current liabilities		**46,939,523**	**(18,599,043)**	**28,175,847**
Current liabilities				
Term loans	c	4,071,543	45,211	4,116,754
Loan from a subsidiary	b,c	-	6,997,616	6,997,616
Trade and other payables	a,b,c,d	40,241,187	(12,633,123)	27,608,064
Other liabilities	d	12,322,158	(12,322,158)	-
Trade payable -gas supplier	d	-	41,874,115	41,874,115
Short term borrowings	c	6,144,754	1,350,079	7,494,833
Total current liabilities		**62,942,369**	**25,311,740**	**88,418,742**
Total liabilities		**109,881,892**	**6,712,697**	**116,594,589**
Total equity and liabilities		**113,295,123**	**(803,448)**	**112,491,674**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.1 Parent company separate financial statements (continued)

Restatements in comparatives in the Statement of financial position of the parent company (continued)

Statement of financial position (Extracts) (continued)

Adjustments as at 01 January 2023

	Ref	2022 – As previously reported RO	Adjustment RO	2022 – restated RO
Non-current assets				
Property, plant and equipment	e	63,270,788	(755,729)	62,515,059
Total non-current assets		**95,845,343**	**(755,729)**	**95,089,614**
Total assets		**112,959,113**	**(755,729)**	**112,203,384**
(Accumulated losses)/retained earnings		(43,987,082)	(2,036,234)	(46,023,316)
Total equity		**6,136,458**	**(2,036,234)**	**4,100,224**
Non-current liabilities				
Term loans	b	27,901,887	(1,130,606)	26,771,281
Other liabilities	d	12,996,768	(12,996,768)	-
Total non-current liabilities		**45,557,814**	**(14,127,374)**	**31,430,440**
Current liabilities				
Term loans	b,c	6,773,452	(5,224,390)	1,549,062
Loan from a subsidiary	b,c	-	6,691,212	6,691,212
Trade and other payables	a,b,c,d	35,804,753	(1,403,244)	34,401,509
Other liabilities	d	12,322,158	(12,322,158)	-
Payable to gas supplier	d	-	27,666,459	27,666,459
Total current liabilities		**61,264,841**	**15,407,879**	**76,672,720**
Total liabilities		**106,822,655**	**1,280,505**	**108,103,160**
Total equity and liabilities		**112,959,113**	**(755,729)**	**112,203,384**

Statement of comprehensive income (Extracts)

	Ref	2023 – As previously reported RO	Adjustment RO	2023 – restated RO
Cost of sales	d	(27,562,820)	(5,479,912)	(33,042,732)
General and administrative expenses	f	(6,166,470)	1,687,249	(4,479,222)
Net impairment loss on financial assets	f		(1,687,249)	(1,687,249)
Loss before tax		**(2,619,295)**	**(5,479,912)**	**(8,099,207)**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.1 Parent company separate financial statements (continued)

Restatements in comparatives in the Statement of financial position of the parent company (continued)

Statement of cash flows (Extracts)

	Ref	2023 – As previously reported	Restatement	2023 – restated
		RO	RO	RO
Cash flows from operating activities				
Loss before taxation	e	(2,619,295)	(5,479,912)	(8,099,207)
Working capital changes:				
Trade receivables	a,g	85,266	(998,270)	(913,004)
Prepayments and other receivables	a,g	(476,211)	(678,132)	(1,154,343)
Inventories	a,g	(2,137,595)	(1,885,743)	(4,023,338)
Trade and other payables	b,c,d,g	1,644,850	6,595,406	8,240,256
Cash generated from operations		**5,671,281**	**(2,446,651)**	**3,224,630**
Cash flows from financing activities				
Payments of long-term loans from commercial banks	g	(1,314,269)	797,930	(516,339)
Repayment of interest on lease liabilities	g	(180,362)	180,362	-
Interest and Finance cost paid	g	(3,236,002)	(53,862)	(3,289,864)
Lease payments		(155,016)	135,266	(19,750)
Net cash used in financing activities		**(4,005,359)**	**1,059,596**	**(2,945,763)**
Net changes in cash and cash equivalents during the year		**1,240,124**	**(1,387,055)**	**(146,931)**
Cash and cash equivalents at the end of the year	a,c,g	**(444,883)**	**(1,387,055)**	**(1,831,938)**

29.2 Consolidated financial statements

a) The Group maintains a cash and cash equivalent clearing account for the actual cashflows paid to settle trade payables until amounts are formally allocated to creditors in the ledger. Also there is a receivables clearing account that acts as a contra-receivables account until amounts can be allocated to clear specific receivables. These two clearing accounts were incorrectly mapped during the preparation of the financial statements in the prior year with both being treated as part of trade payables instead of cash and receivables respectively. In addition, certain trade receivables were incorrectly reported as part of prepayment, advance and other receivables which have now been corrected.

b) The Group had breached term loan covenant tests as at 31 December 2023 and 31 December 2022 and consequently, the Group did not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. However, the respective term loan balances were classified as non-current liabilities instead of current liabilities in the statement of financial position for the respective period. These have been restated and reclassified as current liabilities.

c) In the prior years, accrued interest on term loans and short-term borrowings were included within 'Trade and other payables', instead of being presented as part of the related loan liability carried at amortised cost. The Group has reclassified these balances from 'Trade and other payables' to 'Long-term loans – current portion' and short-term borrowing-current portion in the consolidated statement of financial position and adjusted the comparative figures accordingly.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.2 Consolidated financial statements (continued)

c) Furthermore, the Group incorrectly classified certain term-loans as short-term borrowing in current liabilities and certain short-term borrowing (specifically bank overdraft) were incorrectly presented as trade and other payables in the statement of financial position. However, all amounts are current liabilities, even the term loans, due to the covenant breach explained in point (a) above. The term-loans were therefore incorrectly presented as current short-term borrowings instead of current term loans and the short-term borrowing (bank-overdraft) was incorrectly presented as trade and other payable instead of short-term borrowing.

In the cash flow statement, the compensating adjustment for the change in cash (overdrafts) described above lies in changes in working capital amounts.

d) In the prior years, the Group management has classified short-term trade and other payable-gas supplier as a non-current liability instead of a current liability in the statement of financial position. In addition, the balance was understated due to the failure to identify supplier invoicing that was not in accordance with contractually agreed rates and the omission of liabilities for interest charges on the long overdue invoices. The description of this account has also been changed from other liabilities to trade and other payable-gas supplier and the corresponding expense has been reflected under cost of sales. Comparative figures are adjusted to correct these errors.

e) The Group's exploration and evaluation asset consisted of the mining right license for a site which had not been developed or explored for long period of time and management had no intent or plan to develop the site. In addition, the group had been suspended to access the port terminal and since suspension no action have been taken to rescind access to the premises. However, these sites have never been tested for impairment in accordance with IAS 36 requirements because indicators were present. Historic budgets existed for each location allowing the impairment test to be done at previous dates without the use of hindsight. Consequently, the Group performed impairment tests for this site using contemporaneous data at the start of the earliest comparative period which was the earliest date it was practicable to compute the restatement at in accordance with IAS 8. Management restated the comparative figures to correct these errors. The impact of this impairment was to write off the asset entirely as at 1 January 2023 and reverse the related depreciation expense for the period ended 31 December 2023.

f) The Group had a contract with a supplier to provide construction service for its plant. In the previous period, the Group management had recognised a work in progress asset with a corresponding payable based on a purchase order with the constructor, before any payment was made by the Group or any service or goods were supplied. As this is an executory contract the consolidated statement of financial position should not have been grossed up for these amounts. This error resulted in an overstatement of the work in progress balance and other payable balance in the consolidated statement of financial position. In addition, a penalty charge due to the Group's delay in collection of the raw material from the port was incorrectly capitalised as part of the raw material cost in the work in progress asset instead of being expensed as an abnormal cost not directly related to the construction of the asset. The comparative figures have been adjusted for these errors.

g) During 2023, management had written down trade and other payables which they could not allocate to any of the Group's vendor. However, during the current year allocation process, it was noted that the previous year write of was inappropriate, and it should reverse. The impact of the correction of this error was to reverse the other income and recognise trade and other payables. Furthermore, management did not recognised trade and other payable for idle and detention charges (expenses) invoiced by the Group's supplier in relation to the construction of the plant.

h) Impairment on financial assets was not presented separately on the face of statement of profit or loss and other comprehensive income.

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.2 Consolidated financial statements (continued)

i) The cash inflow and out flow from 'Term-Loans' and 'Short-term borrowing' were aggregated and presented on net basis. The short-term borrowing cash flows continue to be presented on a net basis but separately from cash flow from Term-Loans which is corrected and presented on a gross basis. Furthermore, the line-item finance cost paid on leases was misstated in the prior year with the compensating error in the movement in payables. Amounts have been corrected and the lease interest cost presented together with other interest expenses. Finally, non-cash ROU additions were treated as a cash outflow with a compensating error in movement in payables.

A third statement of financial position has been presented as the changes were considered material to the statement of financial position at the start of the comparative period.

In addition to the above restatements, the Company has also changed accounting policy to measure certain classes of property, plant, and equipment at revalued amounts instead of cost. In accordance with IAS 8 this change in policy is made prospectively. See note 2.14 for further information.

The above errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Consolidated Statement of financial position (Extracts)

	Ref	2023 – As previously reported	Adjustment	2023 – restated
		RO	**RO**	**RO**
Non-current assets				
Property, plant and equipment	e,f,g,	103,263,314	(4,863,091)	98,400,223
Total non-current assets		**112,909,442**	**(4,863,091)**	**108,029,267**
				-
Current assets				-
Trade receivables	a	6,285,166	39,276	6,324,442
Prepayments, advances and other receivables	a	1,987,832	(50,124)	1,937,708
Cash and cash equivalents	a	1,687,943	(36,838)	1,651,105
Total current assets		**33,862,735**	**(47,686)**	**33,815,049**
Total assets		**146,772,177**	**(4,927,861)**	**141,844,316**
				-
Equity				-
(Accumulated losses)/retained earnings	d,e,f,g	(39,024,175)	(8,455,084)	(47,479,259)
Equity attributable to the equity holders of the Parent Company		**11,099,365**	**(8,455,084)**	**2,644,281**
Non-controlling interest		**439,961**	**(4,006)**	**435,955**
Total equity		**11,539,326**	**(8,459,090)**	**3,080,236**
				-
Non-current liabilities				-
Term loans	b	40,310,251	(12,172,867)	28,137,384
Other liabilities	d	12,996,768	(12,996,768)	-
Total non-current liabilities		**62,547,722**	**(25,173,528)**	**37,374,194**
				-
Current liabilities				-
Term loans	b,c	5,965,016	14,472,115	20,437,131
Trade and other payables	a,b,c,d	45,245,230	(15,897,395)	29,347,835
Other liabilities	d	12,322,158	(12,322,158)	-
Payable to gas supplier	d	-	41,874,115	41,874,115
Short term borrowings	a,c	8,596,110	592,674	9,188,784
Total current liabilities		**72,685,129**	**28,704,757**	**101,389,886**
Total liabilities		**135,232,851**	**3,531,229**	**138,764,080**
Total equity and liabilities		**146,772,177**	**(4,927,861)**	**141,844,316**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.3 Consolidated financial statements (continued)

Adjustments as at 01 January 2023

Consolidated Statement of financial position (Extracts)

	Ref	2022 – As previously reported	Adjustment	2022 – restated
		RO	RO	RO
Non-current assets				
Property, plant and equipment	e,f,	107,356,816	(3,081,060)	104,275,756
Total non-current assets		**116,739,635**	**(3,081,060)**	**113,658,575**
Total assets		**143,288,604**	**(3,081,060)**	**140,298,877**
				-
(Accumulated losses)/retained earnings	d,e,f,g	(33,849,583)	(2,551,040)	(36,309,290)
Total equity		**16,618,579**	**(2,551,040)**	**14,158,872**
				-
Non-current liabilities				-
Term loans	b	35,474,898	(8,714,805)	26,760,093
Other liabilities	d	12,996,768	(12,996,768)	-
Total non-current liabilities		**57,089,029**	**(21,678,282)**	**35,410,747**
				-
Current liabilities				-
Term loans	b,c	11,135,479	13,269,983	24,405,462
Trade and other payables	a,b,c,d	33,788,229	(3,514,271)	30,273,958
Other liabilities	d	12,322,158	(12,322,158)	-
Payable to gas supplier	d		27,666,459	27,666,459
Short term borrowings	c	11,781,223	(3,918,460)	7,862,763
Total current liabilities		**69,580,996**	**21,148,262**	**90,729,258**
Total liabilities		**126,670,025**	**(530,020)**	**126,140,005**
Total equity and liabilities		**143,288,604**	**(3,081,060)**	**140,298,877**

Consolidated Statement of comprehensive income (Extracts)

	Ref	2023 – As previously reported	Restatement	2023 – restated
		RO	RO	RO
Cost of sales	d	(53,528,718)	(5,615,270)	(59,143,988)
Gross profit		**12,014,201**	**(5,615,749)**	**6,398,452**
General and administrative expenses	e,f,g,h	(8,280,604)	1,642,079	(6,638,525)
Selling and distribution expenses	g	(4,528,167)	202,022	(4,326,145)
Net impairment loss on financial assets	h	-	(1,909,625)	(1,909,625)
Other income	g	2,247,197	(320,327)	1,926,870
Loss for the year		**(5,079,253)**	**(5,999,383)**	**(11,078,636)**

NOTES TO THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29 Restatements (continued)

29.4 Consolidated financial statements (continued)

Consolidated Statement of cash flows (Extracts)

	Ref	2023 – As previously reported	Restatement	2023 – restated
		RO	RO	RO
Cash flows from operating activities				
Loss before taxation	**d,e,f,g**	(4,944,757)	(6,000,786)	(10,945,543)
Operating cash flow		**6,580,893**	(3,590,993)	**2,989,900**
Working capital changes:				
Trade receivables	a,i	(667,363)	(2,762,613)	(3,429,976)
Prepayments and other receivables	a,i	(249,265)	863,836	614,571
Inventories	i	(4,744,169)	(1,885,740)	(6,629,909)
Trade and other payables	b,c,d,i	8,601,588	5,270,697	13,872,285
Cash generated from operations		**11,830,067**	**(4,619,129)**	**7,210,938**
Cash flows from investing activities				
Additions to property, plant and equipment	g	(2,336,812)	1,860,447	(476,365)
Repayment of quasi capital by a subsidiary	i	(689,350)	689,350	-
Net cash used in investing activities		**(2,930,148)**	**2,549,797**	**(380,351)**
Cash flows from financing activities				
Payments of long-term loans from commercial banks	c,i	(335,110)	(2,255,930)	(2,591,040)
Short-term bank borrowings - net	c,i	(2,167,396)	3,261,680	1,094,284
Repayment of interest on lease liabilities	i	398,543	(398,543)	-
Interest paid and finance cost	i	(4,926,224)	(197,432)	(5,123,656)
Lease payments		(493,304)	310,862	(182,442)
Net cash used in financing activities		**(7,523,491)**	**720,637**	**(6,802,854)**
Cash and cash equivalents at the end of the year	a,c,i	**688,485**	**(1,244,172)**	**(555,687)**

30 Subsequent events

During the ordinary general meeting on 16 March 2025, the shareholders resolved the appointment of the new Board of Directors for the Parent Company.

Independent auditor's report- pages 1 to 7.