

1. Legal status and principal activities

Al Jazeera Steel Products Co SAOG (“the Company” or “the Parent Company”) is an Omani joint stock company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman. The Company’s shares are listed on the Muscat Stock Exchange. The principal activities of the Company are manufacturing and sale of steel products including associated works.

The Parent Company operates two plants namely tube mill and merchant bar mill. The commercial operations of the tube mill commenced in May 1999 and the merchant bar mill commenced in October 2009. During the year 2015, the Parent Company also added a new facility to manufacture rebar products in the existing merchant bar mill. The Parent Company has following subsidiaries:-

- Al Jazeera Oman Steel Products Company, a one person limited liability Company, Saudi Arabia

The Parent Company holds 100% shares in Al Jazeera Oman Steel Products Company Ltd., a limited liability company registered in the Kingdom of Saudi Arabia. The principal activities of the subsidiary are import and sale of steel products manufactured by the Parent Company. The Parent Company acquired 51% shareholding in the subsidiary on 15 June 2015 and acquired the remaining 49% shareholding on 31 March 2017.

- Al Jazeera Steel Products Co L.L.C., United Arab Emirates

The Parent Company holds 80% shares in Al Jazeera Steel Products Company LLC., a limited liability company registered in the United Arab Emirates. The subsidiary company is setting up a 450,000 metric tons per annum state of the art new medium section mill in Khalifa Economic Zone Abu Dhabi (KEZAD), UAE. The subsidiary was incorporated on 4 October 2022.

The condensed consolidated and separate interim financial statements as at, and for the six months ended, 30 June 2025, comprise the results of the Company and its subsidiaries (together referred to as “the Group”).

The Company's principal place of business is located at Suhar, Sultanate of Oman.

These condensed consolidated and separate interim financial statements were approved for issue by the Board of Directors on 27th July 2025

2. Basis of preparation

(a) Statement of compliance

The condensed consolidated and separate interim financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman and the minimum disclosure requirements issued by the the Financial Services Authority (FSA) formerly known as Capital Market Authority (CMA).

(b) Basis of measurement

These condensed consolidated and separate interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and the minimum disclosure requirements issued by the Financial Services Authority (FSA). The accounting policies used in the preparation of the condensed consolidated and separate interim financial statements are consistent with those used in the preparation of the annual consolidated and separate financial statements for the year ended 31 December 2024 except for the adoption of new and amended standards as disclosed in note 2 (e) below.

The condensed consolidated and separate interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with annual consolidated and separate financial statements for the year ended 31 December 2024.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated and separate financial position and performance since the last annual financial statements.

(c) Change in accounting policy

Except as described below, the accounting policies applied in these condensed consolidated and separate interim financial statements are the same as those applied in the annual consolidated and separate financial statements as at and for the year ended 31 December 2024.

The policy for recognising and measuring income taxes in the interim period is disclosed in Note 24 and is consistent with that applied in the comparative interim

period.

(d) Functional currencies

The condensed consolidated and separate interim financial statements are presented in Omani Rials (RO) which is the functional and reporting currency for the Group and the Company. The company has two subsidiaries that uses Saudi Riyal and United Arab Emirates Dirham as their functional currencies. For the consolidation, the assets and liabilities of these subsidiaries are translated into Rial Omani at the fixed exchange rate of 0.1026 and 0.1048, respectively.

(e) Adoptions of new and revised international financial reporting standards (IFRS)

Following are the standards that are effective from 01 January 2025.

Lack of Exchangeability - Amendment to IAS 21.

The new standard had no impact on the interim financial statements.

New and revised IFRS issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. The Group and the parent company has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated and separate interim financial statements.

The Group and the parent company is currently assessing the impact of the below not yet effective amendments on consolidated and separate financial statements:

New standards or amendments	Effective date
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	01 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	01 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional

(Amendments to IFRS 10 and IAS
28)

adoption/effective
date deferred
indefinitely

3. Use of judgement and estimates

In preparing these condensed consolidated and separate interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated and separate financial statements.

A number of the accounting policies require the measurement of fair values, for both financial assets and liabilities and non-financial assets and liabilities.

The Group and the parent company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group and the parent company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the parent company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. Property, plant and equipment

(a) The movement in property, plant and equipment is as set out below:

Group

2025 (un-audited)					Furniture and fixtures	Computer and other equipment	Capital work-in-progress	Total
Cost	Buildings	Plant and equipment	Motor vehicles	Tools and spares				
At 1 January 2025 (audited)	10,475,586	33,911,738	302,798	2,799,401	286,975	836,229	17,753,892	66,366,619
Additions during the period	804	3,068	8,625	524	4,165	27,266	11,823,450	11,867,902
Transferred from capital work-in-progress	141,024	1,986,911	-	106,236	71,564	40,650	(2,346,385)	-
Disposals during the period	-	-	(14,000)	(95,289)	-	-	-	(109,289)
Balance at 30 June 2025 (Un-audited)	10,617,414	35,901,717	297,423	2,810,872	362,704	904,145	27,230,957	78,125,232
Accumulated depreciation								
At 1 January 2025 (audited)	6,767,035	20,860,818	212,457	2,372,155	212,835	752,612	-	31,177,912
Charge for the period to:								
Cost of revenue (Note 18)	146,757	610,884	-	103,135	-	-	-	860,776
General and administrative expenses (Note 20)	2,488	336	14,718	18	22,164	32,872	-	72,596
	-	-			-	-		
Disposals during the period	-	-	(14,000)	(78,269)	-	-	-	(92,269)
Balance at 30 June 2025 (Un-audited)	6,916,280	21,472,038	213,175	2,397,039	234,999	785,484	-	32,019,015
Carrying Amounts								
Balance at 30 June 2025 (Un-audited)	3,701,134	14,429,679	84,248	413,833	127,705	118,661	27,230,957	46,106,217

2024 (audited) Cost	Buildings	Plant and equipment	Motor vehicles	Tools and spares	Furniture and fixtures	Computer and other equipment	Capital work-in- progress	Total
At 1 January 2024 (audited)	9,031,529	30,037,135	265,908	2,789,466	256,185	792,736	5,159,066	48,332,025
Additions during the year	111,165	190,605	23,240	-	15,539	42,943	17,940,416	18,323,908
Transferred from capital work-in-progress	1,332,892	3,773,461	24,450	185,417	21,470	7,900	(5,345,590)	-
Disposals during the year	-	(89,463)	(10,800)	(175,482)	(6,219)	(7,350)	-	(289,314)
Balance at 31 December 2024 (audited)	<u>10,475,586</u>	<u>33,911,738</u>	<u>302,798</u>	<u>2,799,401</u>	<u>286,975</u>	<u>836,229</u>	<u>17,753,892</u>	<u>66,366,619</u>
Accumulated depreciation								
At 1 January 2024 (audited)	6,528,048	19,862,376	197,257	2,312,123	198,978	671,657	-	29,770,439
Charge for the year to:								
Cost of revenue	236,782	1,087,012	-	208,447	-	-	-	1,532,241
General and administrative expenses	2,205	-	26,000	-	20,076	88,305	-	136,586
Disposal during the year	-	(88,570)	(10,800)	(148,415)	(6,219)	(7,350)	-	(261,354)
Balance at 31 December 2024 (audited)	<u>6,767,035</u>	<u>20,860,818</u>	<u>212,457</u>	<u>2,372,155</u>	<u>212,835</u>	<u>752,612</u>	<u>-</u>	<u>31,177,912</u>
Carrying Amounts								
Balance at 31 December 2024 (audited)	<u>3,708,551</u>	<u>13,050,920</u>	<u>90,341</u>	<u>427,246</u>	<u>74,140</u>	<u>83,617</u>	<u>17,753,892</u>	<u>35,188,707</u>

- (i) Property, plant and equipment of a subsidiary, Al Jazeera Steel Products Co LLC, UAE are subject to first charge against the term loans obtained from commercial banks (Note 12).
- (ii) Capital work-in-progress of the Group Company at 30 June 2025 represents mainly Engineering, Procurement and Construction, interest on lease liabilities, borrowing cost and deprecation of right of use asset.

Parent Company

2025 (un-audited) Cost	Buildings	Plant and equipment	Motor vehicles	Tools and spares	Furniture and fixtures	Computer and other equipment	Capital work-in- progress	Total
At 1 January 2025 (audited)	10,375,228	33,911,738	255,745	2,799,401	277,835	824,009	4,173,431	52,617,387
Additions during the period	804	3,068	8,625	-	4,165	24,785	458,447	499,894
Transferred from capital work-in-progress	141,024	1,961,998	-	106,236	200	1,810	(2,211,268)	-
Disposals during the period	-	-	(14,000)	(95,289)	-	-	-	(109,289)
Balance at 30 June 2025 (Un-audited)	10,517,056	35,876,804	250,370	2,810,348	282,200	850,604	2,420,610	53,007,992
Accumulated depreciation								
At 1 January 2025 (audited)	6,746,737	20,860,818	175,489	2,372,155	210,027	743,022	-	31,108,248
Charge for the period to:								
Cost of revenue (Note 18)	146,757	610,884	-	103,135	-	-	-	860,776
General and administrative expenses (Note 20)	-	-	12,025	-	11,882	25,457	-	49,364
Disposals during the period	-	-	(14,000)	(78,269)	-	-	-	(92,269)
Balance at 30 June 2025 (Un-audited)	6,893,494	21,471,702	173,514	2,397,021	221,909	768,479	-	31,926,119
Carrying Amounts								
Balance at 30 June 2025 (Un-audited)	3,623,562	14,405,102	76,856	413,327	60,291	82,125	2,420,610	21,081,873

		Plant and equipment	Motor vehicles	Tools and spares	Furniture and fixtures	Computer and other equipment	Capital work-in- progress	Total
2024 (audited)	Buildings							
Cost								
At 1 January 2024 (audited)	8,998,901	30,037,135	218,855	2,789,466	253,384	782,196	3,691,064	46,771,001
Additions during the year	43,435	190,605	23,240	-	9,200	41,263	5,827,957	6,135,700
Transferred from capital work-in-progress	1,332,892	3,773,461	24,450	185,417	21,470	7,900	(5,345,590)	-
Disposals during the year	-	(89,463)	(10,800)	(175,482)	(6,219)	(7,350)	-	(289,314)
Balance at 31 December 2024 (audited)	<u>10,375,228</u>	<u>33,911,738</u>	<u>255,745</u>	<u>2,799,401</u>	<u>277,835</u>	<u>824,009</u>	<u>4,173,431</u>	<u>52,617,387</u>
Accumulated depreciation								
At 1 January 2024 (audited)	6,509,955	19,862,376	165,719	2,312,123	196,263	663,212	-	29,709,648
Charge for the year to:								
Cost of revenue	236,782	1,087,012	-	208,447	-	-	-	1,532,241
General and administrative expenses	-	-	20,570	-	19,983	87,160	-	127,713
Disposal during the year	-	(88,570)	(10,800)	(148,415)	(6,219)	(7,350)	-	(261,354)
Balance at 31 December 2024 (audited)	<u>6,746,737</u>	<u>20,860,818</u>	<u>175,489</u>	<u>2,372,155</u>	<u>210,027</u>	<u>743,022</u>	<u>-</u>	<u>31,108,248</u>
Carrying Amount								
Balance at 31 December 2024 (audited)	<u>3,628,491</u>	<u>13,050,920</u>	<u>80,256</u>	<u>427,246</u>	<u>67,808</u>	<u>80,987</u>	<u>4,173,431</u>	<u>21,509,139</u>

- (iii) Buildings included in property, plant and equipment are built on land leased from the Public Establishment for Industrial Estate - Madayn, Suhar Industrial City, expiring over different dates (Note 5).
- (iv) Property, plant and equipment of the Parent Company are subject to a pari passu charge against the borrowings obtained from commercial banks (Note 12).
- (v) Capital work-in-progress of the Parent Company at 30 June 2025 represents mainly building under construction, Engineering, Procurement and Construction, rolls under grooving and borrowing costs.

5. Right-of-use assets**a) Leasehold land**

The Parent Company has mainly leased land which constitutes the manufacturing facility. These leases have a lease term ranging from 1 year to 30 years, with an option to renew the lease after that date.

The Subsidiary Company in UAE has leased land to construct the manufacturing facility. This lease has a lease term of 50 years, ending in 2073.

	Group		Parent Company	
Cost	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Balance at 1 January	13,352,449	13,268,926	3,465,009	3,465,009
Additions during the period/year	-	83,523	-	-
Impact of modification	(467,867)	-	-	-
Balance at 30 June / 31 Dec	12,884,582	13,352,449	3,465,009	3,465,009
Accumulated amortisation				
Balance at 1 January	1,222,767	839,830	684,056	541,112
Charge for the period to:				
Cost of revenue (Note 18)	52,892	105,783	52,892	105,783
General and administrative expenses (Note 20)	24,278	60,729	18,450	37,161
Capital work in progress	102,495	216,425	-	-
Balance at 30 June / 31 Dec	1,402,432	1,222,767	755,398	684,056
Net book amount				
Balance at 30 June / 31 Dec	11,482,150	12,129,682	2,709,611	2,780,953
Lease liabilities	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Balance at 1 January	14,144,974	13,526,469	3,271,072	3,281,454
Impact of modification	(467,867)	-	-	-
Add: interest cost (Note 23 a)	109,956	220,980	109,956	220,152
Add: Capital work in progress	362,759	715,843	-	-
Less: lease payments	(138,989)	(318,318)	(112,436)	(230,534)
Balance at 30 June / 31 Dec	14,010,833	14,144,974	3,268,592	3,271,072

Current portion	447,236	687,357	205,353	205,654
Non-current portion	13,563,597	13,457,617	3,063,239	3,065,418
Balance at 30 June / 31 Dec	14,010,833	14,144,974	3,268,592	3,271,072

6. Intangible assets

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Cost				
Balance at 1 January	525,395	496,207	525,395	496,207
Additions during the period/year	38,318	29,188	34,853	29,188
Balance at 30 June / 31 Dec	563,713	525,395	560,248	525,395
Accumulated amortisation				
Balance at 1 January	279,574	175,426	279,574	175,426
Charge for the period/year (Note 20)	55,509	104,148	54,816	104,148
Balance at 30 June / 31 Dec	335,083	279,574	334,390	279,574
Net book amount				
Closing balance	228,630	245,821	225,858	245,821

7. Investment in subsidiaries

Company Name	Percentage of Ownership	Carrying Value	
		30 June 2025 (Un-audited)	31 December 2024 (audited)
Al Jazeera Oman Steel Products Company Saudi Arabia	100%	258,244	258,244
Al Jazeera Steel Products Co L.L.C., UAE	80%	7,052,692	5,814,419

During the period, the shareholders have contributed into Al Jazeera Steel Products Co L.L.C., United Arab Emirates (UAE subsidiary) an additional capital of RO 1.238 million and RO 0.310 million by Ms. Amal Suhail Salim Bahwan owning percentage shareholding of 80% and 20% respectively.

8. Inventories**Inventories**

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Raw materials	10,062,445	12,125,653	10,062,445	12,125,653
Finished goods	6,443,302	7,384,613	5,169,380	6,030,783
Stores and spares	3,573,598	3,502,619	3,573,598	3,502,619
Goods-in-transit	4,665,397	5,610,182	4,665,397	5,610,182
Work-in-progress	935,321	989,106	935,321	989,106
	25,680,063	29,612,173	24,406,141	28,258,343
Less: provision for obsolete and slow-moving inventories	(2,471,459)	(2,402,814)	(2,446,451)	(2,380,531)
	<u>23,208,604</u>	<u>27,209,359</u>	<u>21,959,690</u>	<u>25,877,812</u>

The movement in provision for obsolete and slow-moving inventories is as follows:

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Year ended 31 December 2024 (audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Year ended 31 December 2024 (audited)
At 1 January	2,402,814	2,468,022	2,380,531	2,453,554
Charge/(Reversal) for the period / year	68,645	(65,208)	65,920	(73,023)
At 30 June/31 December	<u>2,471,459</u>	<u>2,402,814</u>	<u>2,446,451</u>	<u>2,380,531</u>

Inventories of the Parent Company are subject to a pari-passu charge in favour of the lenders against bank borrowings (Note 12).

Inventories of RO 59,938,503 (June 2024: RO 56,613,108) were consumed and recognised as an expense during the period and included in cost of sales of the Group.

Inventories of RO 59,752,333 (June 2024: RO 56,829,258) were consumed and recognised as an expense during the period and included in cost of sales of the Parent Company.

9. Trade and other receivables

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Trade receivables, gross	33,516,376	29,963,164	35,751,443	31,783,903
Less: ECL allowance	(949,291)	(977,369)	(1,585,502)	(1,616,144)
Trade receivables, net	32,567,085	28,985,795	34,165,941	30,167,759
Loan to Al Jazeera Steel Products Co. LLC UAE	-	-	2,191,865	-
Other receivables	1,404,155	967,781	1,228,509	729,944
Total financial assets other than cash and cash equivalents classified at amortised cost	33,971,240	29,953,576	37,586,315	30,897,703
Advances to suppliers	11,361,196	8,117,622	8,050,094	5,018,358
	45,332,436	38,071,198	45,636,409	35,916,061

(a) Trade and other receivables at amortised cost are non-interest bearing and are generally on 0 to 90 days' credit terms. They are recognised at the original amounts which represents their fair values on initial recognition.

(b) Trade receivables of the Parent Company are subject to a pari-passu charge in favour of the lenders against bank borrowings (Note 12).

10. Cash and cash equivalents

In the condensed consolidated and separate statement of cash flows, cash and cash equivalents comprise the following:

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Cash on hand	16,943	15,900	11,406	10,356
Call account	2,521,829	5,052,795	2,521,829	5,052,795
Current account	2,382,615	2,114,090	1,334,471	1,453,764
Fixed Deposit	677,104	669,557	616,042	608,495
	5,598,491	7,852,342	4,483,748	7,125,410
Less: Fixed Deposit	(677,104)	(669,557)	(616,042)	(608,495)
Cash and cash equivalents in the statement of financial position	4,921,387	7,182,785	3,867,706	6,516,915

The current account balances with banks are non-interest bearing. The call account balances with banks earn annual interest rates ranging between 0.75% and 3.00% per annum (2024: between 0.75% and 3.00% per annum).

10.1 Bank deposits

This balance is subject to restrictions imposed by the banks for one year against the guarantee given by the bank on behalf of the Parent Company for payment of VAT and custom duty to various Government authorities. The Company can not withdraw any amount from the bank account until the guarantee period is completed.

11. Employees' benefit liabilities

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Year ended 31 December 2024 (audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Year ended 31 December 2024 (audited)
At 1 January	2,759,104	2,044,383	2,672,674	1,997,428
Accrued during the period/ year	157,310	579,456	124,436	553,998
Interest on defined benefit liability	22,148	104,186	22,148	101,575
Net actuarial gain through OCI	12,459	93,492	12,459	95,019
Intercompany transfer	-	-	-	(14,840)
Payments during the period/ year	(20,623)	(62,413)	(18,925)	(60,506)
At 30 June/31 December	2,930,398	2,759,104	2,812,792	2,672,674

12. Bank borrowings**Bank borrowings - non current**

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Term Loan (i)	13,750,054	7,543,554	-	-
	13,750,054	7,543,554	-	-

- (i) The term loan of subsidiary, Al Jazeera Steel Products Co LLC, UAE is denominated in US Dollar, secured over the present and future assets of the subsidiary, and carries interest at a variable rate of SOFR plus applicable margin. The loan amortises, with quarterly repayments starting from September 2026 to November 2031. As of date, the undrawn amount is RO 9.88 million. The Loan has also been secured by the corporate guarantee provided by the parent company.

Bank borrowings – current

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Short term borrowings (ii)	21,846,727	16,787,084	21,846,727	16,787,084
	<u>21,846,727</u>	<u>16,787,084</u>	<u>21,846,727</u>	<u>16,787,084</u>

- (ii) The parent company has credit facilities of RO 88.5 million (31 December 2024: RO 83.5 million) from local and foreign commercial banks. The credit facilities are secured by a pari-passu charge on all the assets of the parent company. These short term borrowings carry an interest rate of money market rate +0.5% per annum (31 December 2024: money market rate +0.5% per annum).

13.Trade and other payables

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Non-current				
Other long term liabilities	51,696	60,428	-	-
At 30 June/31 December	<u>51,696</u>	<u>60,428</u>	<u>-</u>	<u>-</u>
Current				
Trade payables	4,662,063	6,126,774	4,668,263	5,853,338
Accrued expenses	14,521,368	12,589,185	14,415,813	12,588,527
Contract liabilities	441,114	627,179	439,519	627,179
Other payables	2,487,994	1,252,107	95,191	104,455
At 30 June/31 December	<u>22,112,539</u>	<u>20,595,245</u>	<u>19,618,786</u>	<u>19,173,499</u>

Trade payables are generally settled within 0 to 90 days of the suppliers' invoice date.

- (a) The non-current other payables comprises registration fees payable to Abu Dhabi Municipality over a period of 10 years. The Group recognises the liability as a financial liability with a significant financing component. The liability is initially measured at its fair value in accordance with IFRS 9 Financial Instruments.

(b) Accrued expenses include dumping duty accruals amounting to RO 4,582,057 (31 December 2024: RO 4,412,179) to be paid on export to United States of America (“USA”). The US Department of Commerce (“DOC”) has completed their administrative review up to November 2022. However, the periods for which administrative reviews are pending, the Group has recorded a provision. Since 2016, the DOC have imposed anti-dumping duty on the export to USA. In September 2024, the DOC assigned the Company a dumping margin of 0.61 percent. This rate will be used to assess antidumping duties on entries made during the review period from December 2021 to November 2022, as well as on future shipments to the United States.

(c) The movement of contract liabilities is as follows:

	Group		Parent Company	
	30 June 2025 (Un- audited)	31 December 2024 (audited)	30 June 2025 (Un- audited)	31 December 2024 (audited)
As at 1 January	627,179	550,474	627,179	550,474
Advances received during the year/period	4,886,576	9,710,740	4,884,981	9,710,740
Revenue recognised during the year/period	(5,072,641)	(9,634,035)	(5,072,641)	(9,634,035)
At 30 June/31 December	441,114	627,179	439,519	627,179

14.Share capital and share premium

The share capital comprises 124,897,960 (31 December 2024: 124,897,960) ordinary shares of RO 0.100 (31 December 2024: RO 0.100) which are fully-paid. The authorised share capital of the Parent Company is RO 15,000,000 (31 December 2024: RO 15,000,000).

The share premium is stated net of share issuance costs.

The ultimate controlling party of the Group is Ms. Amal Suhail Salim Bahwan.

15.Legal reserve

(i) Al Jazeera Steel Products Company SAOG

In accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, annual appropriations of 10% of the net profit are made to this reserve until the accumulated balance of the reserve is equal to one-third of the Parent Company's issued and fully paid-up share capital, which was achieved during the year 2017. This reserve is not available for distribution. As the legal reserve equals one third of the paid up share capital, no transfer was made during the year.

(ii) Al Jazeera Oman Steel Products Company, single member Company, Saudi Arabia

In accordance with the provisions of the Saudi Regulations, annual appropriations of 10% of the net profit are made to this reserve until the accumulated balance of the reserve is equal to 30% of the subsidiary's issued and fully paid-up share capital. This was achieved in the year 2020. This reserve is not available for distribution.

(iii) Al Jazeera Steel Products Co L.L.C., United Arab Emirates

In accordance with the provisions of the UAE Federal law 2015, annual appropriations of 5% of the net profit are made to this reserve of UAE subsidiary. The Company has option to stop such allocation if the reserve balance reaches 50% of the share capital. This reserve is not available for distribution.

16.Dividends

A cash dividend of 43 baiza per share amounting to RO 5,370,612 was paid as approved by the shareholders in the Annual General Meeting held on 23 March 2025. (2024: 19 baiza per share amounting to RO 2,373,061).

17.Revenue

The Group generates revenue primarily from sale of manufactured steel products which is the major product line. Revenue from contracts with customers is disaggregated by primary geographical market. All of the revenue is being recognised at a point-in-time.

18.Cost of revenue

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
For the six months period				
Cost of materials consumed	59,938,503	56,613,108	59,752,333	56,829,258
Direct wages	2,542,204	2,346,423	2,542,204	2,346,423
Depreciation charged on property, plant and equipment (Note 4)	860,776	719,889	860,776	719,889
Amortisation of right-of-use assets (Note 5)	52,892	52,892	52,892	52,892
Utilities expenses	1,046,270	887,370	1,046,270	887,370
Other direct expenses	471,364	489,156	471,364	489,156
	64,912,009	61,108,838	64,725,839	61,324,988

For the three months period	Period from	Period from 1	Period from	Period from
	1 April 2025 to 30 June 2025 (Un-audited)	1 April 2024 to 30 June 2024 (Un-audited)	1 April 2025 to 30 June 2025 (Un-audited)	1 April 2024 to 30 June 2024 (Un-audited)
Cost of materials consumed	28,153,028	27,333,174	28,039,999	27,135,872
Direct wages	1,202,514	1,153,473	1,202,514	1,153,473
Depreciation charged on property, plant and equipment	437,925	362,375	437,925	362,375
Amortisation of right-of-use assets	26,446	26,446	26,446	26,446
Utilities expenses	594,186	462,447	594,186	462,447
Other direct expenses	212,686	301,917	212,686	301,917
	<u>30,626,785</u>	<u>29,639,832</u>	<u>30,513,756</u>	<u>29,442,530</u>

19.Selling and distribution expenses

For the six months period	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
Packaging and dispatch charges	4,591,735	4,118,900	4,473,442	4,063,384
Commission on sales	14,465	15,251	14,465	15,251
Advertisement and publicity	20,954	35,711	5,666	21,324
Sales promotion expenses	8,854	7,920	8,854	7,920
Other selling and distribution expenses	94,116	66,080	94,116	66,080
	<u>4,730,124</u>	<u>4,243,862</u>	<u>4,596,543</u>	<u>4,173,959</u>

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un- audited)	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
For the three months period				
Packaging and dispatch charges	2,127,578	2,244,764	2,049,783	2,215,140
Commission on sales	14,465	4,775	14,465	4,775
Advertisement and publicity	2,693	10,748	2,693	10,287
Sales promotion expenses	4,531	3,212	4,531	3,212
Other selling and distribution expenses	44,713	49,605	44,713	49,605
	<u>2,193,980</u>	<u>2,313,104</u>	<u>2,116,185</u>	<u>2,283,019</u>

20. General and administrative expenses

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un- audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
For the six months period				
Indirect employee costs	2,243,065	1,885,291	1,907,129	1,642,890
Other expenses	268,958	130,885	181,301	114,355
Legal and professional fees	241,876	128,673	218,774	105,864
Depreciation charged on property, plant and equipment (Note 4)	72,595	66,019	49,364	61,966
Communication expenses	74,887	60,070	55,808	54,996
Travelling and conveyance	158,798	109,747	99,972	93,083
Amortisation of right-of-use assets (Note 5)	24,278	47,139	18,450	18,580
Amortisation of intangible assets (Note 6)	55,509	51,346	54,816	51,346
Insurance	34,042	42,025	16,211	25,167
	<u>3,174,008</u>	<u>2,521,195</u>	<u>2,601,825</u>	<u>2,168,247</u>

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un- audited)	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
For the three months period				
Indirect employee costs	1,112,625	916,762	920,407	796,535
Other expenses	125,668	40,849	64,015	32,160
Legal and professional fees	122,679	58,972	112,627	52,838
Depreciation charged on property, plant and equipment	44,750	33,126	25,374	31,082
Communication expenses	38,746	32,195	27,942	29,910
Travelling and conveyance	98,405	53,132	67,251	43,375
Amortisation of right-of-use assets	12,139	23,569	9,225	9,290
Amortisation of intangible assets	28,819	25,780	28,202	25,780
Insurance	21,503	24,135	9,566	16,937
	<u>1,605,334</u>	<u>1,208,520</u>	<u>1,264,609</u>	<u>1,037,907</u>

21.Other income

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un- audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
For the six months period				
Miscellaneous income	1,826,351	1,806,080	1,826,351	1,806,080
	<u>1,826,351</u>	<u>1,806,080</u>	<u>1,826,351</u>	<u>1,806,080</u>

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un- audited)	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
For the three months period				
Miscellaneous income	999,807	786,038	999,807	786,038
	<u>999,807</u>	<u>786,038</u>	<u>999,807</u>	<u>786,038</u>

22. Other operating expenses

	Group		Parent Company	
For the six months period	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
Loss on disposal of property, plant and equipment	15,068	13,890	15,068	13,890
	<u>15,068</u>	<u>13,890</u>	<u>15,068</u>	<u>13,890</u>

	Group		Parent Company	
For the three months period	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un- audited)
Loss on disposal of property, plant and equipment	7,547	3,686	7,547	3,686
	<u>7,547</u>	<u>3,686</u>	<u>7,547</u>	<u>3,686</u>

23 (a). Finance cost

	Group		Parent Company	
For the six months period	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
Interest on bank borrowings	518,659	816,871	488,844	789,327
Interest on lease liabilities (Note 5 b)	109,956	132,091	109,956	110,076
	<u>628,615</u>	<u>948,962</u>	<u>598,800</u>	<u>899,403</u>

	Group		Parent Company	
For the three months period	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
Interest on bank borrowings	318,974	427,836	313,343	415,089
Interest on lease liabilities	54,978	66,046	54,978	55,038
	<u>373,952</u>	<u>493,882</u>	<u>368,321</u>	<u>470,127</u>

23.(b) Finance income

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
For the six months period				
Interest income	<u>80,191</u>	<u>53,084</u>	<u>80,191</u>	<u>53,084</u>

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
For the three months period				
Interest income	<u>38,273</u>	<u>20,146</u>	<u>38,273</u>	<u>20,146</u>

24. Taxation

Income tax is levied at a rate of 15% in accordance with the fiscal regulations of the Sultanate of Oman.

Current tax is recognised in the profit or loss and as the expected tax payable on the net taxable income for the year, using tax-rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Zakat provisions are computed in accordance with the regulation of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia for the subsidiary.

On December 9, 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% applies to taxable income exceeding AED 375,000. A rate of 0% applies to taxable income not exceeding AED 375,000. Al Jazeera Steel Products company LLC is under construction phase and not exceeded AED 375,000. Hence, 0% applies.

The Group assessed the deferred tax implications on Al Jazeera Steel Products Company LLC for the period ended 30 June 2025 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

	Group		Parent Company	
For the six months period	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un- audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un- audited)
Consolidated and separate statement of profit or loss and other comprehensive income				
Current tax:				
Tax charge for the period	940,310	440,804	931,076	431,570
Tax (reversal) / charge for the previous years	(351)	775	(351)	528
Deferred tax:				
Origination and (reversal) of other temporary differences	(155,909)	(14,294)	(117,529)	24,057
Total tax charge for the period	784,050	427,285	813,196	456,155

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
For the three months period				
Current tax:				
Tax charge / (reversal) for the period	410,017	(53,296)	405,400	(57,913)
Tax charge for the previous years	-	528	-	528
Deferred tax:				
Origination and (reversal) of other temporary differences	(27,855)	165,853	(8,665)	185,028
Total tax charge for the period	382,162	113,085	396,735	127,643

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Consolidated and separate statement of financial position				
Non-current assets				
Deferred tax	379,237	223,328	194,802	77,273
Current liabilities				
Current tax payable	917,224	1,348,699	907,990	1,343,745

Deferred tax asset/(liability)	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Year ended 31 December 2024 (audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Year ended 31 December 2024 (audited)
At 1 January	223,328	137,800	77,273	68,127
Movement during the period/year				
- Profit or loss	155,909	71,595	117,529	(5,107)
- Other Comprehensive income	-	13,933	-	14,253
At 30 June/31 December	379,237	223,328	194,802	77,273

Tax assessments up to the year 2021 have been completed and agreed with the Oman Tax Authority for the Parent Company and up to 2019 for the Saudi subsidiary. Management believes that additional taxes, if any, for open tax years would not be material to the consolidated and separate condensed interim financial position of the Group and the Parent Company as at the reporting date.

25.Related party transactions and balances

The Group and the Parent Company has entered into transactions with related parties as specified under IAS 24. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions, who provide goods and render services to the Group and the Parent Company. During the period, the following transactions were carried out with the related parties:

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
a) Transactions with subsidiaries				
Revenue	-	-	7,368,139	7,168,016
Payments on behalf of the subsidiaries	-	-	1,040,687	140,438
Investment in subsidiary during the period				
Al Jazeera Steel Products Co LLC	-	-	1,238,273	-
Receivables from subsidiaries*				
Al Jazeera Oman Steel Products Company	-	-	5,915,145	4,096,608
Al Jazeera Steel Products Co LLC	-	-	341,054	142,058
Loan to Al Jazeera Steel Products Co LLC	-	-	2,191,865	-
	<u>-</u>	<u>-</u>	<u>8,448,064</u>	<u>4,238,666</u>

* The balances are included in trade and other receivables.

b) Other related parties (common control)				
Revenue	58,681	42,898	58,681	42,898
Purchases	67,656	36,952	67,656	36,952
Amount due from related parties:				
Bahwan Project & Telecom	11,385	32,935	11,385	32,935
	<u>11,385</u>	<u>32,935</u>	<u>11,385</u>	<u>32,935</u>
Amount due to related parties:				
Bahwan Logistics LLC	6,272	12,420	6,272	12,420
	<u>6,272</u>	<u>12,420</u>	<u>6,272</u>	<u>12,420</u>

c) Compensation of key management personnel**

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
Short term employment benefits	239,235	235,721	239,235	235,721
Post-employment benefits	13,077	12,957	13,077	12,957
	<u>252,311</u>	<u>248,678</u>	<u>252,311</u>	<u>248,678</u>
Remuneration to directors	100,000	20,000	100,000	20,000
Directors' sitting fees	<u>10,400</u>	<u>15,300</u>	<u>10,400</u>	<u>15,300</u>

** Key management personnel (KMP) are same for Parent Company and its subsidiaries and total compensation paid to KMP is borne by the Parent Company.

d) Amounts due from and to related parties are unsecured, bear no interest, arise in the ordinary course of business and have no fixed repayment terms.

26.Earnings per share

Earnings per share is calculated by dividing the net profit after tax attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding as at 30 June

For the six months period

	Group		Parent Company	
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un- audited)	Period from 1 January 2025 to 30 June 2025 (Un- audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)
Profit for the period attributable to the owners of the Parent Company	<u>4,184,460</u>	<u>2,593,893</u>	<u>4,281,213</u>	<u>2,519,094</u>
Weighted average number of shares outstanding	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>
Earnings per share attributable to shareholders of the Parent Company	<u>0.034</u>	<u>0.021</u>	<u>0.034</u>	<u>0.020</u>

For the three months period

	Group		Parent Company	
	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un- audited)	Period from 1 April 2025 to 30 June 2025 (Un- audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
Profit for the period attributable to the owners of the Parent Company	<u>2,010,101</u>	<u>752,527</u>	<u>2,046,805</u>	<u>707,692</u>
Weighted average number of shares outstanding	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>
Earnings per share attributable to shareholders of the Parent Company	<u>0.016</u>	<u>0.006</u>	<u>0.016</u>	<u>0.006</u>

As there are no dilutive potential shares issued by the Parent Company, the diluted earnings per share is the same as the basic earnings per share.

27.Net assets per share

The calculation of net assets per share is based on dividing the net assets attributable to ordinary shareholders by the weighted average number of shares outstanding as at 30 June/31 December.

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Net assets	<u>55,505,157</u>	<u>56,703,768</u>	<u>55,547,021</u>	<u>56,648,879</u>
Shares outstanding at the reporting date	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>	<u>124,897,960</u>
Net assets per share	<u>0.444</u>	<u>0.454</u>	<u>0.445</u>	<u>0.454</u>

28.Commitments
(i) Purchase commitments

At 30 June 2025, the value of outstanding purchase commitments for the Group and the Parent amounted to RO 22,504,261 (31 December 2024: RO 15,638,166).

(ii) Capital commitments

At 30 June 2025, the value of outstanding capital commitments for the Group amounted to RO 14,044,859 (31 December 2024: RO 18,269,959) and for the Parent amounted to RO. 1,763,359 (31 December 2024: RO. 2,990,488)

29.Contingent liabilities

	Group		Parent Company	
	30 June 2025 (Un-audited)	31 December 2024 (audited)	30 June 2025 (Un-audited)	31 December 2024 (audited)
Outstanding bank guarantees	5,908,564	5,977,094	5,908,564	5,977,094

The above guarantees were issued in the normal course of business.