

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

1 Corporate information

National Gas Company SAOG (the "Parent Company" or the "Company") is registered under Commercial Companies Law, 2019 of the Sultanate of Oman with commercial registration number 1083171 as a joint stock company in the Sultanate of Oman. The Company was incorporated on 9 April 1979. The Company's registered address is PO Box 95, Postal Code 124, Rusayl, Sultanate of Oman. The Company has been established to operate Liquefied Petroleum Gas ("LPG") filling plants and is mainly engaged in the marketing and selling of LPG.

2 Statement of compliance and basis of preparation and consolidation

2.1 Statement of compliance and basis of preparation

The separate and consolidated financial statements of the Parent Company and the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

These separate and consolidated financial statements have been prepared on the historical cost basis except for land and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The Group performs equity accounting for its investment in its associates and joint ventures in the consolidated financial statements and these investments are held at cost less impairment, if any, in the Parent Company's financial statements.

The financial statements have been presented in Rial Omani ("RO") which is the functional currency of the Parent Company and presentation currency for these separate and consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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2 Statement of compliance and basis of preparation and consolidation (continued)

2.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and other comprehensive income or loss of a subsidiary acquired or disposed of during the year are recognised from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance based on their respective ownership interest. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in other comprehensive income;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in consolidated income statement; and
- Reclassifies the Parent Company's share of components previously recognised in other comprehensive income to consolidated income statement or retained earnings, as appropriate.

In the separate financial statements, the investment in the subsidiaries is carried at cost less impairment, if any.

The consolidated financial statements incorporate the financial information of following subsidiary companies in which the Group has a controlling interest:

		Ownership As at 30 June	
	Principal activity	2025	2024
Incorporated in Oman			
National Gas Developments SPC	Services		100%
0% Samahram Gas LLC	LPG		80%
0% Incorporated in UAE			
NGC Energy LLC	LPG distribution	49%	49%
NGC Central Gas Systems LLC	Trading activity	49%	49%
Incorporated in KSA			
NGC Energy Saudi LLC	LPG Installations	100%	100%

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2 Statement of compliance and basis of preparation and consolidation (continued)

2.2 Basis of consolidation (continued)

Incorporated in Mauritius				
Innovative Energy Holdings Mauritius Limited	Investments	100%	100%	
		Ownership As at 30 June		
		2025	2024	
Group Holdings				
Incorporated in Malaysia				
NGC Consolidated Holding SDN BHD Malaysia	Investments	100%	100%	
NGC Energy SDN BHD	LPG distribution	60%	60%	

NGC Energy LLC was formed for taking over commercial activities from NGC Energy FZE from 1 January 2015. To comply with local UAE laws, 51% of the shares in NGC Energy LLC were transferred to the local Emirati company whereas the Parent Company still holds the management control over the entity and all the variability of returns are with the Company. As per the strategic decision to exit from the LPG trading business from the UAE market, this entity has stopped its operation from the later part of 2022.

NGC Central Gas Systems LLC was formed in 2018 to expand the LPG and Equipment trading business in the region of Abu Dhabi. The Parent Company holds 49% shares with management control and all variability of returns are with the Company. As per the strategic decision to exit from the LPG trading business from the UAE market, this entity has stopped its operation from the later part of 2022 and it is currently under liquidation.

NGC Energy Saudi LLC was formed in November 2014 in the Kingdom of Saudi Arabia (KSA) and is primarily engaged in executing LPG installations in the KSA market.

The Group also holds control over NGC Consolidated Holding SDN BHD Malaysia, through their 100% stake in Innovative Energy Holdings Mauritius Limited which was incorporated in 2012. NGC Consolidated Holding SDN BHD Malaysia is a joint venture partner in NGC Energy SDN BHD with a holding of 60%, and Non-Controlling Interest in this respect is 40%.

National Gas Developments SPC was formed in 2024 in the Sultanate of Oman and it is registered with the activities of self-storage facilities, renting and operating of self-owned or leased real estate, management of credit and own real estate, parking rental and management.

In June 2025, the Group acquired an 80% equity interest in Samahram Gas LLC, a limited liability company registered in the Sultanate of Oman. The acquired entity is primarily engaged in the refilling, supply, and installation of Liquefied Petroleum Gas (LPG) systems in the Dhofar region.

As part of the acquisition, the Group obtained management control, thereby classifying Samahram Gas LLC as a subsidiary with effect from the acquisition date. The remaining 20% equity interest is held by the existing minority shareholders.

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2 Statement of compliance and basis of preparation and consolidation (continued)

2.2 Basis of consolidation (continued)

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquiring shares from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of shares to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Investment in equity-accounted investee

The Group's investment in its associate, an entity in which the Group have significant influence, is accounted for using the equity method.

Under the equity method, the investment in an associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of results of operations of the associate. When there has been a change recognised in other comprehensive income or directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in other comprehensive income.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of associate is shown on the face of the consolidated statement of profit or loss and other comprehensive income.

The financial statements of the associate are prepared for the same reporting period as the Parent Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2 Statement of compliance and basis of preparation and consolidation (continued)

2.2 Basis of consolidation (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is an objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

3 Adoption of new and amended IFRS Accounting Standards

3.1 New standards, amendments and interpretations to existing IFRS Accounting Standards that became effective on 01 January 2024

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2023. However, the following new Standards, amendments to Standards and interpretations have become effective for the first time for the reporting periods beginning on or after 01 January 2024:

- Amendments to IAS 1 for:
 - (a) Classification of Liabilities as Current or Non-Current
 - (b) Non-Current Liabilities with Covenants
- Amendments to IFRS 16 for: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 for: Supplier Finance Arrangements
- Amendments to IAS 12 for: International Tax Reform - Pillar Two Model Rules

Classification of Liabilities as Current and Non-current

Classification of Liabilities as Current or Non-current has clarified a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

Non-current Liabilities with Covenants

Non-current Liabilities with Covenants has amended IAS 1 Presentation of Financial Statements. The amendments have improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments have also responded to stakeholders' concerns about the classification of such a liability as current or non-current.

Lease Liability in a Sale and Leaseback

Lease Liability in a Sale and Leaseback has amended IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.

Supplier Finance Arrangements has amended IAS 7 Statement of Cash Flows to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments have also added supplier finance arrangements as an example within the liquidity risk disclosure requirements of IFRS 7 Financial Instruments: Disclosures.

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3 Adoption of new and amended IFRS Accounting Standards (continued)

3.1 New standards, amendments and interpretations to existing IFRS Accounting Standards that became effective on 01 January 2024 (continued)

International Tax Reform—Pillar Two Model Rules

International Tax Reform—Pillar Two Model Rules amends IAS 12 Income Taxes. The amendments have introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments have also introduced targeted disclosure requirements for affected entities.

Supplier Finance Arrangements

The Company has adopted all of the above amendments for the first time in the reporting year and has accounted for and disclosed in the Financial Statements as far as these amendments were applicable to the Company. These amendments did not have any material impact on the presentation of the amounts and disclosures in the Financial Statements. The management does not expect the adoption of the Standards and Interpretations listed above to have a material impact on the financial statements of the Company in future periods.

Standards, amendments and interpretations to existing IFRS Accounting Standards that have been issued but not yet effective

At the time of authorization of these financial statements, the following IFRS Accounting Standards, amendments to Standards, and Interpretations have been issued but not yet effective. The Company will adopt these standards, amendments and interpretations in future reporting years as indicated below:

3.2 Standards, amendments and interpretations to existing IFRS Accounting Standards that are not yet effective

Following are the new standards and amendments to existing standards that have been issued, but not yet effective, and are applicable for future reporting periods

Standard, Amendments to Standards and Interpretations	Effective for the annual periods beginning on or after
Amendments to IAS 21 for: Lack of Exchangeability and consequential amendments of other related standards	01 January 2025
Amendments to IFRS 9 and IFRS 7 for: Classification and Measurement of Financial Instruments	01 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements (new standard) and consequential amendments of other related standards	01 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures (new standard)	01 January 2027

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3 Adoption of new and amended IFRS Accounting Standards (continued)

3.2 Standards, amendments and interpretations to existing IFRS Accounting Standards that are not yet effective (continued)

The management of the Company believes that the adoption of the above new standards and amendments may have impact on the presentation of the amounts and disclosures in the financial statements of the future periods, when such standards or amendments shall be adopted. For the new standard IFRS 18, applicable to annual reporting periods beginning on or after 1 January 2027, the Company is currently performing an impact assessment.

4 Material accounting policy information

The material accounting policy information set out below have been applied consistently by the Company / Group to all period presented in these financial statements.

4.1 Revenue recognition

The majority of the Group's revenue is derived from selling LPG to local customers with revenue recognised at a point in time when control of the goods has transferred to the customer. This happens generally when the goods are delivered to the customer.

The Group uses the following 5 steps model for revenue recognition.

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

If the costs incurred to fulfil a contract are in the scope of other guidance, the Group accounts for such costs using the other guidance.

Group amortises the asset recognised for the costs to obtain and/or fulfil a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, Group recognises these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

The accounting policies of the Parent Company for the purpose of separate financial statements are the same as that of the Group unless otherwise stated.

Group has different streams of revenue. Revenue from all streams are recorded when control passes to the customer. Broadly, revenue of the Group can be divided into 5 main classifications. These classifications and their revenue recognition policy are as follows:

Local sales: The Group is engaged in selling 3 products to local customers: LPG, lubricants, and cylinder. Following is the time when the revenue of each product is recorded.

- LPG: Revenue from local sale of LPG is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.
- Lubricant: Revenue from local sale of lubricant is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.

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4 Material accounting policy information (continued)

4.1 Revenue recognition (continued)

- Gas cylinder: Revenue from local sale of gas cylinder is recognised at a point in time when control of the goods is transferred to the customer. This is generally when the goods are delivered to the customer.

Export sales: For export sales, revenue is recorded when the control passes to the customer, i.e., when goods are delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer.

Franchisee fees: Revenue from franchisee fee is recognized on monthly basis as agreed on the contract with the customer since all the obligations are deemed to be satisfied at that point in time and the consideration received is non-refundable, the revenue arising therefrom is recognised on a straight-line basis at point in time.

Support service fees: Support service fee includes management services. Since these services are made available to the customers on 'as and when needed' basis, the revenue arising therefrom is recognised on a straight-line basis over the period of time such services are performed.

Project revenue: The Group measures its project completion status using survey method (output method). Revenue from such project is recognised over the period of project life if any of the following conditions are met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work-in-progress) that the customer controls as the asset is created or enhanced;
- the entity's performance does not create an asset with an alternative use; and
- the entity has right to payment for performance completed to date.

Revenue from contracts with customers shall be segregated from revenue from other sources (e.g. finance income).

Dividend income

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

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

4.2 Taxation

Taxation is provided in accordance with fiscal regulations applicable to each country of operation.

Deferred tax is provided using the liability method on all temporary differences at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

National Gas Company SAOG and its Subsidiaries

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4 Material accounting policy information (continued) 4.2 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

4.3 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of being operated in the manner intended by the Group. Property, plant and equipment are subsequently measured using the cost model i.e; cost less accumulated depreciation and impairment losses, except for land which is subsequently revalued, on an asset-by-asset basis, to their market values. Valuation of land is normally carried out every five years, on an open market value, for existing use basis. This period may be reduced for classes of land in respect of which market conditions have changed significantly. The carrying amounts, both those revalued and those measured at cost, are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount assets are written down to their recoverable amount.

When an asset is revalued, any increase in the carrying amount arising on revaluation is credited under revaluation reserve in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Expenditure incurred to replace a component of an item of property, plant and equipment, that is accounted for separately, is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the separate and consolidated statement of profit or loss as the expense is incurred.

Depreciation

Land and capital work-in-progress are not depreciated. The cost or valuation, less estimated residual value, of other property, plant and equipment is depreciated by straight line method over the estimated useful lives of the assets. Capital work-in-progress is transferred into appropriate asset categories when the assets is available for use and depreciation is provided from that date.

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4 Material accounting policy information (continued)

4.3 Property, plant and equipment (continued)

Depreciation (continued)

The rates of depreciation are based on the following estimated useful lives:

	2025	2024
	Years	Years
Building	20	20
Plant and equipment	5-15	5-15
Tractors and trailers	5-10	5-10
Motor vehicles	4	4
Furniture and fittings	5	5
Software	3	3
Cylinders	10	10

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the separate and consolidated statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

4.4 Business combinations, goodwill and intangible assets

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date's fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If any obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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4 Material accounting policy information (continued)

4.4 Business combinations, goodwill and intangible assets (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised as bargain purchase gain in separate and consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generation unit retained.

4.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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4 Material accounting policy information (continued)

4.5 Leases (continued)

Measurement and recognition

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the separate and consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available, or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

4.6 Fair value measurement

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

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4 Material accounting policy information (continued)

4.6 Fair value measurement (continued)

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants, when pricing the asset or liability, act in their economic best interest.

Underlying the definition of the fair value is the assumption that the Company is a going concern without any intention or requirements to curtail materially the scale of its operations or undertake a transaction on adverse terms.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate and consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the separate and consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

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4 Material accounting policy information (continued)

4.6 Fair value measurement (continued)

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques include discounted cash flow analysis or other valuation models.

4.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the separate and consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of inventories is determined on the first in first out basis and includes all costs incurred in acquiring the inventories and bringing them to their existing location and condition.

4.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of discontinued operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.9 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase in other comprehensive income.

4.10 Cash and cash equivalents

For the purpose of separate and consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments.

4.11 Employees' end of service benefits

The provision for end of service benefits is based upon the liability accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law, Saudi Labour Law, UAE Labour Law.

Government of Oman Social Insurance Scheme (the Scheme)

The Group contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Group and Omani employees are required to make monthly contributions to the Scheme at 12.5% and 8% respectively, of gross salaries. With effect from July 2024, the Group contribution for Omani employees is increased to 13.5% and for Expat employees it is 1%.

Non-Omani employee terminal benefits

The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law, Saudi Labour Law and UAE Labour Law. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.12 Provisions, contingent liabilities and contingent assets (continued)

A present obligation arises from the presence of a legal or constructive delegation that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Long term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Company's management.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Probable inflow of economic benefits to the Parent Company and Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

No provision is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.13 Foreign currencies transactions and translations

Transactions denominated in foreign currencies are translated to Rial Omani at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Rial Omani at exchange rates prevailing at that date. Foreign exchange differences arising on translation are recognised in the separate and consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

The functional currency of foreign subsidiaries, based in the United Arab Emirates, Kingdom of Saudi Arabia, Malaysia and Mauritius, are UAE Dirhams, Saudi Riyal, Malaysia Ringgits (RM) and US Dollars (USD), respectively. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Group (Rial Omani) at the rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income is translated at the average exchange rates for the year. Foreign exchange differences arising on translation are recognised in the consolidated other comprehensive income.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.14 Directors' remuneration

The Parent Company follows the Commercial Companies Law (as amended), and other relevant directives issued by FSA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of profit or loss in the year to which it relates.

4.15 Dividend distribution

Dividend distributions payable to shareholders are included in other liabilities only when the dividends have been approved in a general meeting prior to the reporting date.

4.16 Non-current assets / disposal group / classified as held-for-sale and discontinued operations

The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

Equity accounting for investment in associate ceases once such investments have been classified and included as held-for-sale.

Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gains or loss recognised on the remeasurement of fair value less cost to sell or on the disposal group constituting the discontinued operations.

4.17 Bank borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the separate and consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4.18 Financial instruments

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are not recognised unless one of the parties has performed its part of the contract or a contract is the derivative contract. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.18 Financial instruments (continued)

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Transaction cost attributable to financial assets at fair value through profit or loss is recognised in statement of profit or loss when incurred.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVTOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately in the statement of profit or loss.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Financial assets at fair value through other comprehensive income (FVTOCI)

Equity instrument which are not held for trading or issued as contingent consideration in business combination, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss, are designated at gain value through OCI. This election is made on an investment-by-investment basis.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.18 Financial instruments (continued)

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets are designated at FVTOCI. The Group's FVTOCI investments include quoted investments carried at fair value through other comprehensive income.

Impairment of financial assets

The impairment model applies to financial assets measured at amortized cost, contract assets receivables, lease receivables and debt investments at FVTOCI, but not on investments in equity instruments.

Under IFRS 9, loss allowance are measured on either of the following bases:

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

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12 months ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Finance assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

General approach

General approach is a three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

4 Material accounting policy information (continued)

4.18 Financial instruments (continued)

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or based on the certain delinquency period (days past due).

Simplified approach

The Group applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the Group will be required to measure lifetime expected credit losses at all times.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Credit - impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Presentation of impairment

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to financial assets are presented separately in the separate and consolidated statement of profit or loss and other comprehensive income.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method except for derivative and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or loss recognised in profit or loss.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
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4 Material accounting policy information (continued)

4.18 Financial instruments (continued)

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the separate and consolidated statement of profit or loss and other comprehensive income are included within 'finance costs' or 'finance income'.

5 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the separate and consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from the judgement, estimates and assumptions made by management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which estimates are revised and in future period affected.

Significant management judgments

The following are significant judgements made by management in applying the accounting policies of the Group that have the most significant effect on these separate and consolidated financial statements.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the separate and consolidated financial statements continue to be prepared on the going concern basis.

Recognition of deferred tax

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

5 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful lives of property, plant and equipment

Depreciation is charged so as to write off the cost of assets 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.

Provision for expected credit losses

Credit losses for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past experience and historical data, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Allowance for slow moving inventories

Allowance for slow moving inventories is based on management's assessment of various factors such as the usability, maintenance programs, and normal wear and tear using best estimates.

Impairment of goodwill

Goodwill are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases - determination of the appropriate discount rate to measure lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements

for the halfyear ended 30 June 2025

6 Property, plant and equipment

Parent Company

	Freehold land RO	Building RO	Plant and equipment RO	Tractors and trailers RO	Motor vehicles RO	Furniture and fittings RO	Software RO	Capital work-in- progress RO	Total RO
Cost / revalued amount:									
At 1 January 2024	4,584,450	2,108,389	2,950,058	1,920,716	174,660	393,373	64,770	337	12,196,753
Additions	-	11,419	46,341	-	-	4,269	-	55,613	117,642
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(162,061)	(22,049)	-	-	-	(184,110)
At 30 June 2024	4,584,450	2,119,808	2,996,399	1,758,655	152,611	397,642	64,770	55,950	12,130,285
At 1 January 2025	4,584,450	2,122,613	3,004,062	1,801,956	129,999	417,945	64,770	21,459	12,147,254
Additions	-	585	23,805	49,990	-	7,549	20,002	1,105	103,036
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	(283)	(28,160)	-	-	-	-	(28,443)
At 30 June 2025	4,584,450	2,123,198	3,027,584	1,823,786	129,999	425,494	84,772	22,564	12,221,847
	-	-	-	-	-	-	-	-	-

	Freehold land RO	Building RO	Plant and equipment RO	Tractors and trailers RO	Motor vehicles RO	Furniture and fittings RO	Software RO	Capital work-in- progress RO	Total RO
Accumulated depreciation:									
At 1 January 2024	-	1,674,716	2,671,968	1,638,364	142,025	351,403	52,603	-	6,531,079
Charge for the year	-	19,603	38,535	36,944	4,914	8,554	2,629	-	111,179
Related to disposals	-	-	-	(160,230)	(22,049)	-	-	-	(182,279)
At 30 June 2024	-	1,694,319	2,710,503	1,515,078	124,890	359,957	55,232	-	6,459,979
At 1 January 2025	-	1,714,147	2,749,880	1,504,608	107,286	369,469	57,859	-	6,503,249
Charge for the year	-	19,762	36,319	29,717	4,602	8,740	2,535	-	101,675
Related to disposals	-	-	(16)	(13,376)	-	-	-	-	(13,392)
At 30 June 2025	-	1,733,909	2,786,183	1,520,949	111,888	378,209	60,394	-	6,591,532
	-	-	-	-	-	-	-	-	-

Net book value:

At 30 June 2025	4,584,450	389,289	241,401	302,837	18,111	47,285	24,378	22,564	5,630,315
At 30 June 2024	4,584,450	425,489	285,896	243,577	27,721	37,685	9,538	55,950	5,670,306

In the opinion of management, there is no objective evidence that the above assets are impaired as at 30 June 2025 (2024: Nil).

Parent Company's fair value reserve of the Land is RO 3,760,631 (2024: RO 3,760,631). If the land had been carried at cost, the carrying amount at 30 June 2025 would have been RO 154,531 (2024: RO 154,531).

Parent Company's depreciation cost is allocated to cost of revenue for RO 86,188 (2024: RO 95,785) and Administrative and selling expenses for RO 15,487 (2024: RO 15,394)

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
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6 Property, plant and equipment (continued)

Group

	Freehold land RO	Building RO	Plant and equipment RO	Tractors and trailers RO	Motor vehicles RO	Furniture and fittings RO	Software RO	Cylinders RO	Capital work-in- RO	Total RO
Cost / revalued amount:										
At 1 January 2024	6,976,323	2,191,402	17,601,458	1,899,600	427,741	1,200,891	70,571	12,678,940	389,525	43,436,451
Exchange difference on translation	(62,620)	(601)	(382,782)	-	(6,157)	(20,428)	-	(332,255)	(10,189)	(815,032)
Additions	-	14,437	46,627	-	-	5,247	-	-	685,618	751,929
Disposals	-	-	(160)	(162,060)	(22,049)	(58,931)	-	(9,248)	-	(252,448)
Transfers	-	-	108,650	-	-	16,623	-	402,636	(527,909)	-
Reclassification	-	(33,332)	(12,083)	21,116	-	-	-	12,082	-	(12,217)
Write off	-	-	-	-	-	(174,628)	-	-	-	(174,628)
At 30 June 2024	6,913,703	2,171,906	17,361,710	1,758,656	399,535	968,774	70,571	12,752,155	537,045	42,934,055
At 1 January 2025	7,127,711	2,264,432	18,369,002	1,780,839	423,676	1,046,615	70,571	13,792,973	719,184	45,595,003
Exchange difference on translation	151,340	1,404	912,495	-	16,398	35,456	-	820,767	39,276	1,977,136
Additions	-	81,436	301,667	247,801	45,263	11,715	20,002	-	720,471	1,428,355
Disposals	-	-	(283)	(28,160)	-	(27,473)	-	-	-	(55,916)
Transfers	-	-	325,447	-	46,118	3,561	-	401,673	(776,799)	-
At 30 June 2025	7,279,051	2,347,272	19,908,328	2,000,480	531,455	1,069,874	90,573	15,015,413	702,132	48,944,578

NGC Energy Malaysia's property, plant and equipment with a carrying amount of RM 149,438,309 (2024: RM 157,804,079) are pledged as security for the borrowings (Note 19).

Group CWIP assets consists of Project installations and Plant related installations for amounts incurred upto respective period end.

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
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6 Property, plant and equipment (continued)

Group	Freehold land RO	Building RO	Plant and equipment RO	Tractors and trailers RO	Motor vehicles RO	Furniture and fittings RO	Software RO	Cylinders RO	Capital work- in-progress RO	Total RO
Accumulated depreciation:										
At 1 January 2024	-	1,721,266	11,172,377	1,617,248	290,289	956,051	54,115	7,707,117	-	23,518,463
Exchange difference on translation	-	(342)	(228,789)	-	(3,795)	(15,848)	-	(207,918)	-	(456,692)
Charge for the year	-	20,889	525,421	36,943	22,472	41,160	3,596	463,096	-	1,113,577
Write off	-	-	-	-	-	(174,627)	-	-	-	(174,627)
Reclassification	-	(33,333)	-	21,117	-	-	-	-	-	(12,216)
Related to disposals	-	-	(124)	(160,229)	(22,049)	(58,904)	-	(9,247)	-	(250,553)
At 30 June 2024	-	1,708,480	11,468,885	1,515,079	286,917	747,832	57,711	7,953,048	-	23,737,952
At 1 January 2025	-	1,766,153	12,508,535	1,483,491	297,263	797,575	61,105	8,891,632	-	25,805,754
Exchange difference on translation	-	872	595,517	-	11,061	25,316	-	544,299	-	1,177,065
Charge for the year	-	34,452	665,486	118,771	49,040	45,862	3,201	525,795	-	1,442,607
Write off	-	-	-	-	-	-	-	-	-	-
Related to disposals	-	-	(16)	(13,376)	-	(26,007)	-	-	-	(39,399)
At 30 June 2025	-	1,801,477	13,769,522	1,588,886	357,364	842,746	64,306	9,961,726	-	28,386,027
Net book value:										
At 30 June 2025	7,279,051	545,795	6,138,806	411,594	174,091	227,128	26,267	5,053,687	702,132	20,558,551
At 30 June 2024	6,913,703	463,426	5,892,825	243,577	112,618	220,942	12,860	4,799,107	537,045	19,196,103

Group's fair value reserve of the Land is RO 4,151,901 (2024: RO 4,069,654). If the land had been carried at cost, the carrying amount at 30 June 2025 would have been RO 1,927,404 (2024: RO 1,723,326).

Group's depreciation cost is allocated to cost of revenue for RO 1,177,329 (2024: RO 1,048,269) and Administrative and selling expenses for RO 74,652 (2024: RO 65,308)

National Gas Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
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7 Right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Gross carrying amount				
As at 1 January	345,784	337,346	3,619,318	3,442,303
Exchange rate differences	-	-	194,795	(81,289)
Addition	-	-	264,314	73,955
Disposal	-	-	(16,970)	(21,312)
At 30 June	345,784	337,346	4,061,457	3,413,657
Accumulated depreciation and impairment:				
As at 1 January	184,048	157,270	1,540,087	1,227,623
Exchange rate differences	-	-	85,120	(29,510)
Depreciation	28,100	25,990	181,341	159,784
Disposal	-	-	(16,970)	(21,599)
At 30 June	212,148	183,260	1,789,578	1,336,298
Carrying amount as at 30 June	133,636	154,086	2,271,879	2,077,359

Depreciation (Right of used assets)

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Depreciation considered under Cost of Revenue	14,587	14,587	138,871	121,384
Depreciation considered under Administrative and selling expenses	13,513	11,403	42,470	38,400
At 30 June	28,100	25,990	181,341	159,784

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised in the separate and consolidated statement of financial position:

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Number of leases with extension option	Number of leases with termination options
Land	7	1-5 years	7	-
Building	9	1-5 years	9	-

8 Financial assets at fair value through other comprehensive income (FVTOCI)

	Parent Company		Group	
	2025	2024	2025	2024
As at 1 January	824,396	1,114,798	824,396	1,114,798
Additions	20,059	-	20,059	-
Disposals	-	(218,855)	-	(218,855)
Fair value changes	(49,260)	(21,264)	(49,260)	(21,264)
At 30 June	795,195	874,679	795,195	874,679

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for the half year ended 30 June 2025

8 Financial assets at fair value through other comprehensive income (FVTOCI) (continued)

Investments at FVTOCI can be analysed based on sectors as below:

	Parent Company and Group		Parent Company and Group	
	Cost	Fair value	Cost	Fair value
	2025	2025	2024	2024
	RO	RO	RO	RO
Insurance	24,407	71,877	24,407	76,256
Industrial	-	-	-	-
Investment	44,231	198,084	14,143	223,375
Banking	159,541	319,673	159,541	286,214
Telecommunication	32,601	16,732	32,601	20,170
Services	223,272	188,829	223,272	268,664
At 30 June	484,052	795,195	453,964	874,679

9 Investment in subsidiaries

	Parent Company	
	2025	2024
	RO	RO
Innovative Energy Holdings Mauritius Ltd, Mauritius	8,639,262	8,639,262
NGC Energy Saudi LLC, KSA	1,385,924	872,619
National Gas Developments SPC, Oman	100,000	-
Samaharm Gas LLC	384,524	-
At 30 June	10,509,710	9,511,881

The ownership interest in subsidiaries are as under:

	Country of incorporation	Ownership interest	
		2025	2024
Innovative Energy Holdings Mauritius Ltd, Mauritius	Mauritius	100%	100%
NGC Energy Saudi LLC, KSA	KSA	100%	100%
National Gas Developments SPC, Oman	Oman	100%	-
Samaharm Gas LLC	Oman	80%	-

The subsidiaries' principal place of business and country of incorporation are the same. The Group follows the same financial year-end.

During the year, following movements have occurred in subsidiaries:

	Parent Company	
	2025	2024
	RO	RO
At 1 January	9,611,881	9,511,881
Addition	897,829	-
At 30 June	10,509,710	9,511,881

Summary of financial results of subsidiaries containing significant non-controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	NGC Energy SDN BHD	
	2025	2024
	RO	RO
Non-current assets	24,220,114	22,268,883
Current assets	11,785,007	9,843,182
Non-current liabilities	(3,656,817)	(3,493,962)
Current liabilities	(11,802,456)	(10,321,627)
Net assets	20,545,848	18,296,476
Net assets attributable to NCI	8,218,339	7,318,590
Revenues	37,402,182	35,408,152
Profit for the period	(61,892)	58,711
Profit for the period allocated to NCI	(24,757)	23,484

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9 Investment in subsidiaries (continued)

Goodwill

Goodwill arose on the acquisition of Shell Malaysia Trading's LPG business by NGC Energy SDN BHD, being the fair value of consideration paid over net assets acquired.

Goodwill is allocated, at acquisition, to the Cash-Generating Unit (CGU) that is expected to benefit from the business transfer. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount of a CGU is determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections are 14% per annum (2024: 13.92%). Cash flow beyond the terminal period is extrapolated using the growth rate of 2% (2024: 2%).

During the year 2025, additional Goodwill arose on the acquisition of Samaharm Gas by National Gas Company SAOG, being the fair value of consideration paid over net assets acquired.

Below is the carrying amount of goodwill:

	2025 RO	2024 RO
At 1 January	7,260,293	7,062,751
Addition	150,374	-
Net change in foreign exchange	432,032	(184,906)
At 30 June	7,842,699	6,877,845

10 Assets / liabilities of disposal group / non-current assets held-for-sale

Investment in subsidiaries

During the year 2022, the Board of Directors of the Parent Company resolved to dispose its investment in NGC Central Gas Systems LLC (NGCCGS) and also stop further operations in NGC Energy LLC (UAE) (NGCEL) by selling its assets. NGCCGS is under liquidation currently.

The assets and liabilities related to above mentioned disposals / disposal groups for the half year ended 30 June 2025 and 30 June 2024 are as follows;

Parent Company

	2025 RO	2024 RO
NGC Energy LLC, UAE	31,527	31,527
NGC Central Gas System, UAE	21,053	21,053
	52,580	52,580
Less: Loss on remeasurement to fair value less cost to sell	(52,580)	(52,580)
Net non-current assets classified as held-for-sale	-	-

Group

	2025 RO	2024 RO
Assets:		
Property, plant and equipment	224,823	237,157
Trade and other receivables	278,760	313,999
Cash and bank balances	41,548	82,130
	545,131	633,286
Liabilities:		
Staff terminal benefits	-	5,426
Accounts payable and accruals	33,577	36,423
	33,577	41,849

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for the half year ended 30 June 2025

11 Inventories

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
LPG	86,307	105,653	824,020	417,977
Finished goods	340,331	445,597	347,368	445,597
Cylinders and accessories	123,498	132,399	123,498	132,399
Plant and other spares	178,641	198,947	278,901	282,570
Project inventory	140,816	97,227	178,242	314,576
Work-in-progress	-	23,111	8,926	115,042
Less: Provision for obsolescence and slow-moving inventory	(20,918)	(10,918)	(20,918)	(10,918)
	848,675	992,016	1,740,037	1,697,243

12 Trade and other receivables

Non-current

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	255,027	-	255,027	-
Less: provision for expected credit losses	-	-	-	-
	255,027	-	255,027	-

Current

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	2,720,337	2,134,519	6,662,716	5,342,794
Less: provision for expected credit losses	(570,639)	(570,639)	(1,321,928)	(1,220,507)
	2,149,698	1,563,880	5,340,788	4,122,287
Advance for purchases	153,819	54,530	237,616	234,686
Contract assets	-	-	876,826	538,760
Claims for Government subsidy	-	-	5,305,822	5,592,284
Amounts due from related parties (note 24)	1,180,100	887,102	-	13,077
Accrued income	3,403	261,754	49,573	766,355
Other receivables	114,123	352,997	285,505	528,296
Prepayments	60,475	49,922	258,504	220,865
Tax paid under appeal	3,487	3,487	3,487	3,487
Deposits	-	-	276,554	236,597
	3,665,105	3,173,672	12,634,675	12,256,694

Movement in the provision for expected credit losses are as follows:

	Parent Company		Group	
	2025	2024	2025	2024
At 1 January	570,639	570,639	1,235,031	1,235,031
Add: provided during the year	-	-	15,000	-
Exchange rate fluctuation	-	-	71,897	(14,524)
At 30 June	570,639	570,639	1,321,928	1,220,507

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Notes to the separate and consolidated financial statements
for the half year ended 30 June 2025

13 Cash and bank balances

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Cash in hand	28,644	51,350	32,271	52,117
Cash at banks - current account	123,866	128,734	1,569,516	628,187
Cash at banks - short term deposits	-	-	228,421	208,374
	152,510	180,084	1,830,208	888,678
Bank overdrafts	(393,226)	(424,158)	(393,226)	(424,158)
Cash at banks - short term deposits	-	-	(228,421)	(208,374)
Cash and cash equivalents	(240,716)	(244,074)	1,208,561	256,146

Bank overdrafts are availed from a commercial bank for working capital requirements on revolving credit basis. Bank overdrafts are unsecured and repayable on demand and carry markup at 6.35% to 7.97% per annum (2024: 5.5% to 7.97% per annum).

There are no restrictions on bank balances at the time of approval of these separate and consolidated financial statements.

14 Share capital

The authorised share capital comprises 120,000,000 shares of RO 0.100 each (2024: 120,000,000 of RO 0.100 each). The issued and fully paid-up share capital is RO 8,500,000 comprising 85,000,000 shares of RO 0.100 each (2024: 85,000,000 of RO 0.100 each).

The details of major shareholders, who hold 9% or more of the Parent Company's shares, at the reporting date, are as follows:

	Number of shares		% holding	
	2025	2024	2025	2024
A' Sharqiya Investments SAOG	10,937,856	10,937,856	12.87	12.87
Social Protection Fund	8,376,282	8,376,282	9.85	9.85

15 Share premium

The Parent Company during 2014 issued 15,561,414 rights shares of RO 0.375 each (including RO 0.275 each as premium) to the existing shareholders. The related details are set out below:

	RO
Total share premium collected	4,279,386
Less: issue expenses	(13,506)
Share premium balance	4,265,880
Transfer to legal reserve during 2014	(478,248)
Bonus share issued in 2018	(1,000,000)
Bonus share issued in 2019	(1,000,000)
At 30 June 2025	1,787,632

16 Legal reserve

As required by the Commercial Companies Law of 2019, as amended, the Parent Company transfers 10% of its profit for the year to legal reserve until such time the legal reserve amounts to at least one third of the Parent Company's share capital. The reserve is not available for distribution. During the year, the Parent Company has transferred Nil amount to legal reserve (2024: Nil).

17 Other reserves

- Other reserves include a general reserve of the Parent Company, which is created in accordance with the Commercial Companies Law of 2019, as amended. The annual appropriation is made at the rate not exceeding 20% of the profit for the year after deduction of taxes and the statutory reserve, and the reserve shall not exceed one half of the share capital of the Parent Company. This reserve is a distributable reserve.
- Other reserves also include statutory reserve of NGC Energy LLC, NGC Central Gas System LLC, and NGC Energy SDN BHD amounted to RO 7,895, RO 2,775 and RO 208,213 respectively (2024: RO 7,895, RO 2,775 and RO 195,612 respectively).

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18 Revaluation reserve

This represents the surplus on the revaluation of freehold land, net of tax and is not available for distribution until the related asset have been disposed off.

19 Borrowings

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Term loans				
Revolving credits (Note 19.1)	-	-	5,150,371	3,667,730
Short term loans (Note 19.2)	2,083,706	1,702,270	2,083,706	1,702,270
Total borrowings	2,083,706	1,702,270	7,234,077	5,370,000

The weighted average effective interest rates of the borrowings by the subsidiary are as follows:

	Group	
	2025	2024
	%	%
Interest rate - Revolving credits	5.96	5.01

19.1 The facility is secured on negative pledge over CR of the Company. This represents a revolving Islamic credit taken by a subsidiary. The facility is secured by charge over 100% shares of the Subsidiary, fixed and floating charges over all assets, assignment over the designated bank accounts and fixed charge over memorandum of lease for LPG filling plants of Subsidiary.

19.2 Short term loans are secured from commercial banks and carry interest ranging from 5.5% to 6.5% (2024: 5.5% to 6.5%) per annum. The Company has agreed to the banks that minimum 20% sales turnover should be routed through the designated current account.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Parent Company		Group	
	Bank	Loans and	Bank	Loans and
	overdrafts	borrowings	overdrafts	borrowings
At 1 January 2025	461,813	1,832,157	461,813	7,424,578
- Proceeds from loan and borrowings	-	781,549	-	592,764
- Change in bank overdraft	(68,587)	-	(68,587)	-
At 30 June 2025	393,226	2,613,706	393,226	8,017,342

	Parent Company		Group	
	Bank	Loans and	Bank	Loans and
	overdrafts	borrowings	overdrafts	borrowings
At 1 January 2024	970,370	1,612,889	970,370	3,203,119
- Repayment of loan and borrowings	-	89,381	-	2,166,881
- Change in bank overdraft	(546,212)	-	(546,212)	-
At 30 June 2024	424,158	1,702,270	424,158	5,370,000

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20 Lease liabilities

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Current	59,264	52,798	330,052	231,873
Non-current	111,167	129,603	1,972,863	1,806,436
	170,431	182,401	2,302,915	2,038,309

Parent Company	Minimum lease payments due					
	Within one	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Total
	year	RO	RO	RO	RO	RO
30 June 2025						
Undiscounted lease liabilities	66,868	43,834	44,616	30,590	-	185,908
Finance charges	(7,360)	(4,567)	(2,874)	(676)	-	(15,477)
Lease liabilities	59,508	39,267	41,742	29,914	-	170,431
30 June 2024						
Undiscounted lease liabilities	59,567	54,558	39,074	33,562	20,635	207,396
Finance charges	(9,862)	(7,399)	(4,528)	(2,622)	(585)	(24,995)
Lease liabilities	49,704	47,159	34,546	30,941	20,050	182,401

Group	Minimum lease payments due					
	Within one	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	After 5
	year	RO	RO	RO	RO	years
30 June 2025						RO
Undiscounted lease liabilities	428,760	401,885	404,686	340,885	244,175	1,635,834
Finance charges	(161,029)	(142,248)	(122,757)	(102,533)	(87,771)	(536,972)
Lease liabilities	267,731	259,637	281,929	238,352	156,404	1,098,862
30 June 2024						
Undiscounted lease liabilities	383,141	374,698	361,019	311,003	238,956	1,211,650
Finance charges	(147,260)	(130,502)	(111,717)	(93,694)	(79,062)	(279,923)
Lease liabilities	235,881	244,196	249,302	217,309	159,894	931,727

	Parent Company		Group	
	2025	2024	2025	2024
At on 1 January	202,613	204,038	2,083,783	2,129,244
Additions	-	-	264,314	73,955
Disposals	-	-	-	-
Payments	(36,947)	(26,631)	(247,317)	(194,687)
Interest expense	4,765	4,994	87,795	81,210
Exchange rate fluctuations	-	-	114,340	(51,413)
At 30 June	170,431	182,401	2,302,915	2,038,309

21 Staff terminal benefits

	Parent Company		Group	
	2025	2024	2025	2024
At 1 January	189,055	251,635	215,396	280,332
Charge for the year	16,903	18,786	21,840	21,853
Paid during the year	(11,805)	(47,325)	(15,801)	(53,746)
At 30 June	194,153	223,096	221,435	248,439

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22 Accounts payable and accruals

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Trade creditors	316,174	361,498	3,600,952	3,902,519
Accrued expenses	825,775	623,950	2,319,131	2,653,396
Other creditors	194,626	189,035	2,022,306	2,197,355
	1,336,575	1,174,483	7,942,389	8,753,270

23 Net assets per share

Net assets per share are calculated by dividing the equity attributable to the owners of the Parent Company at the reporting date by the number of shares outstanding as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Net assets (RO)	17,178,579	17,012,802	19,134,501	18,068,801
Number of shares outstanding at 30 June	85,000,000	85,000,000	85,000,000	85,000,000
Net assets per share (RO)	0.202	0.200	0.225	0.213

24 Related party balances and transactions

The Group has related party relationships with entities over which certain shareholders and Directors are able to exercise significant influence. The Group also has related party relationships with its Directors and senior management. In the ordinary course of business, such related parties provide goods and render services to the Group.

Prices and terms for transactions with related parties, which are entered into in the normal course of business, are on the agreed terms and conditions. Details of related parties balances and transactions (including transactions and balances with related parties as a result of common directorship) for the half year ended 30 June 2025 and 30 June 2024 are as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Due from subsidiaries	2,450,784	2,091,246	-	13,077
Less: provision for expected credit losses	(1,270,684)	(1,204,144)	-	-
Amount due from related parties (net) - Note	1,180,100	887,102	-	-
Loan to related parties	237,933	581,098	-	-

Transactions with related parties during the year were as follows:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Sales to subsidiaries	(20,051)	12,491	-	-
Asset sale / purchase	-	(43,579)	-	-
Expenses charged/(received)	86,139	17,930	-	-
Other expenses	(9,520)	(12,000)	-	-
Directors' remuneration and sitting fees	(20,000)	(20,000)	(101,131)	(94,010)

Provision for related party balances

Movement in the provision for expected credit losses for related parties are as follows:

	Parent Company	
	2025	2024
	RO	RO
At 1 January	1,270,684	1,204,144
Add: provided during the year	-	-
At 30 June	1,270,684	1,204,144

Compensation of key management personnel

Key management personnel are those persons having direct authority and responsibility for planning, directing and controlling the activities of the Group.

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Senior management remuneration	139,070	130,528	382,158	347,441

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25 Revenue

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Revenue from contracts with customers				
Sale of LPG	4,847,332	3,535,948	41,731,092	38,593,356
Sales other products	690,447	570,251	954,060	1,302,979
Other income	14,432	14,416	79,905	25,989
	5,552,211	4,120,615	42,765,057	39,922,324
Revenue from other sources				
Vehicle hire charges and rental income	21,617	21,828	976,349	336,670
	21,617	21,828	976,349	336,670
	5,573,828	4,142,443	43,741,406	40,258,994

26 Cost of revenue

		Parent Company		Group	
		2025	2024	2025	2024
	Notes	RO	RO	RO	RO
COGS LPG :					
Opening stock		27,019	143,089	942,738	685,618
Local purchases		3,793,969	2,475,987	24,423,209	22,085,455
Imports		-	-	10,838,650	10,361,796
Closing stock		(86,307)	(105,653)	(824,020)	(417,977)
		3,734,681	2,513,423	35,380,577	32,714,892
Other direct expenses					
COGS other products		451,061	338,225	672,629	780,555
Direct labour costs	28.1	342,665	363,044	843,835	779,499
Depreciation - direct		86,188	95,785	1,177,329	1,048,269
Depreciation on right-of-use assets - direct		14,587	14,587	138,871	121,384
Plant repair and maintenance expenses		23,621	14,059	1,167,785	992,999
Fuel and vehicle maintenance expenses		259,557	183,671	277,143	193,026
Transportation expenses		13,958	7,500	800,480	741,495
Other plant related expenses		49,141	42,513	1,365,467	673,787
Insurance expenses		50,599	56,207	121,484	121,659
Utilities expenses		34,227	23,900	51,802	33,613
Short term lease rent expenses		3,380	-	88,561	69,531
		5,063,665	3,652,914	42,085,963	38,270,709

27 Administrative and selling expenses

		Parent Company		Group	
		2025	2024	2025	2024
	Note	RO	RO	RO	RO
Employee related costs	28.1	355,903	409,288	968,722	1,098,209
Depreciation expenses - indirect		15,487	15,394	74,652	65,308
Depreciation on right-of-use assets - indirect		13,513	11,403	42,470	38,400
Office expenses		90,697	90,701	199,334	155,888
Professional charges		16,561	22,857	124,898	144,233
General expenses		16,078	4,701	68,644	14,806
Communication expenses		12,521	15,787	29,781	33,139
Printing and stationery expenses		4,360	984	8,974	7,193
Advertisement expenses		1,350	880	1,350	880
Donations		8,000	10,000	9,180	10,281
Rent expense		-	-	42,684	36,897
Repairs and maintenance expenses		6,991	6,397	10,521	7,603
Directors' remuneration and sitting fees		20,000	20,000	101,131	94,010
Business travel expenses		8,726	7,148	57,240	57,654
Withholding tax		72	2,057	100	2,057
Marketing and publicity expenses		3,695	6,594	43,383	29,444
		573,954	624,191	1,783,064	1,796,002

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28	Employees costs	Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
	Wages and salaries	530,414	618,487	1,303,282	1,326,254
	Other employee benefit costs	115,295	101,831	441,069	486,421
	Social security costs	35,956	33,228	46,366	43,180
	Provision for staff terminal benefits (Note 21)	16,903	18,786	21,840	21,853
		698,568	772,332	1,812,557	1,877,708
28.1	Allocation of employees costs				
		Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
	Cost of revenue (Note 26)	342,665	363,044	843,835	779,499
	Administrative & Selling expenses (Note 27)	355,903	409,288	968,722	1,098,209
		698,568	772,332	1,812,557	1,877,708
29	Other income - net				
		Parent Company		Group	
		2025	2024	2025	2024
	Interest income	27,507	23,365	37,593	15,207
	Dividend income	68,114	50,305	68,114	50,305
	Miscellaneous income	15,203	39,703	15,914	46,780
	Gain/(loss) on disposal of property, plant and equipment	(4,784)	12,277	13,580	29,633
		106,040	125,650	135,201	141,925
30	Income taxes				
	The Tax Authority in Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly each legal entity is taxable separately.				
	The tax rate applicable to all taxable entities of the Group ranges between from 15% to 24% (2024: 15% to 24%) on the taxable income. For the purpose of determining the tax expense for the year, the accounting profit of each individual legal entity has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.				
		Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
	Separate and consolidated statement of profit or loss:				
	The tax charge for the year comprises:				
	Current year tax	-	-	136,105	163,506
	Prior year tax	-	-	-	22,437
		-	-	136,105	185,943
	Deferred tax	-	-	(144,341)	(121,602)
		-	-	(8,236)	64,341
		Parent Company		Group	
		2025 RO	2024 RO	2025 RO	2024 RO
	Deferred tax liability/ (asset):				
	At 1 January	341,436	418,612	2,175,906	2,407,808
	Movement through other comprehensive income	-	-	-	-
	Movement through profit or loss	-	-	(144,342)	(121,602)
	Exchange difference on translation	-	-	104,992	(50,465)
	At 30 June	341,436	418,612	2,136,556	2,235,742

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30 Income taxes (continued)

The deferred tax comprises the following temporary differences:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Separate and consolidated statement of other comprehensive income:				
Revaluation of land	(664,488)	(664,488)	(779,567)	(1,037,055)
Separate and consolidated statement of profit or loss:				
Provision for expected credit losses	89,542	179,405	234,551	198,124
Related party provisions	186,514	159,427	186,514	-
Brought forward losses		52,449	-	52,449
- ROUA and lease liability		6,132	4,729	126,611
- Others		-	-	-
-				
Net book value of fixed assets	(11,585)	(97,685)	(1,957,114)	(1,396,811)
Deferred tax liability	323,052	245,876	(1,356,989)	(1,198,687)
Deferred tax liability - net	(341,436)	(418,612)	(2,136,556)	(2,235,742)

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Current liability:				
Opening	-	-	27,422	9,507
Current year tax	-	-	136,105	185,943
Prior years / repayment	-	-	(159,612)	(201,833)
Exchange rate differences	-	-	4,964	9,112
	-	-	8,879	2,729

A reconciliation of tax charge is set out below:

	Parent Company		Group	
	2025	2024	2025	2024
	RO	RO	RO	RO
Profit before tax (including from discontinued operations)	(28,267)	(82,873)	(356,262)	(35,110)
Income tax expense at the rates mentioned above	-	-	136,105	185,943
Relating to (reversal) / origination of deferred tax liability	-	-	(144,341)	(121,602)
	-	-	(8,236)	64,341

The tax returns of the Parent Company for the years 2021 to 2024 have not yet been agreed with the Tax Authority at the Ministry of Finance. Management is of the opinion that additional taxes, if any, related to the open tax years would not be significant to the Parent Company's financial position as at 30 June 2025.

Further, the tax assessment for the year 2020 has been completed by the Tax Authority in the year 2024, but the management has filed an objection in this regard (Objection File No. 25933904 dated 02 December 2024).

The tax assessment of subsidiaries incorporated in jurisdictions outside Oman are at different stages. Management is of the opinion that any additional taxes that may be assessed would not be significant to the Group financial position as at 30 June 2025.

31 Discontinued operations

As detailed in note 2.2 and note 10 to the separate and consolidated financial statements, during the year 2022, the Parent Company / Group has classified investments in NGC Energy LLC and NGC Central Gas Systems LLC (subsidiaries) as held-for-sale.

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31 Discontinued operations (continued)

Summarised statement of profit or loss for the half year ended 30 June 2025 and 30 June 2024 related to the above mentioned assets disposed-off and disposal groups are as follows:

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Revenue	-	-	-	-
Cost of revenue	-	-	(9,474)	(9,123)
Gross loss	-	-	(9,474)	(9,123)
Administrative expenses	-	-	(8,018)	(17,784)
Operating loss	-	-	(17,492)	(26,907)
Other income - net	-	-	177	8,386
Finance costs	-	-	(343)	(300)
Provision for expected credit losses	-	-	-	-
Loss before tax	-	-	(17,658)	(18,821)
Income tax	-	-	-	-
Loss after tax	-	-	(17,658)	(18,821)
Loss for the year from discontinued operations	-	-	(17,658)	(18,821)

32 Earnings / (loss) per share

The basic earnings per share is calculated by dividing the profit of the Group and Parent Company for the year attributable to the Owners of the Parent Company, by the weighted average number of shares outstanding.

	Parent Company		Group	
	2025 RO	2024 RO	2025 RO	2024 RO
Profit / (loss) attributable to equity holders of the Parent Company				
- From continued operations	(28,267)	(82,873)	(311,316)	(104,114)
- From discontinued operation	-	-	(17,658)	(18,821)
Profit / (loss) attributable to ordinary equity holders of the Parent Company	(28,267)	(82,873)	(328,974)	(122,935)
Weighted average number of shares	85,000,000	85,000,000	85,000,000	85,000,000
From continuing operations	(0.000)	(0.001)	(0.004)	(0.001)
From discontinued operations	-	-	(0.0002)	(0.00022)
Basic earnings / (loss) per share (RO)	(0.000)	(0.001)	(0.004)	(0.001)

As there are no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

33 Segment reporting

The Group's only significant business segment is the marketing and selling of LPG.

Geographic information

Revenues from external customers

	Group	
	2025 RO	2024 RO
Oman	5,829,794	4,142,443
Other GCC countries	524,022	720,891
Asia	37,387,590	35,395,660
	43,741,406	40,258,994

This includes revenue earned by the entity classified as held for sale (note 31) as at the reporting date.

34 Commitments

		Parent Company		Group	
	Notes	2025 RO	2024 RO	2025 RO	2024 RO
Capital commitments	34.1	37,185	32,477	1,587,345	903,718
Performance guarantees	34.2	917,330	846,939	917,330	846,939

34.1 This relates to the various expenditure to be incurred on the development of property, plant and equipment.

34.2 Bank guarantees are provided by the scheduled banks on behalf of the Parent Company for the various related party transactions initiated by the Parent Company and its related parties.

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35 Contingencies

35.1 On 1 November 2023, the NGC Energy Sdn. Bhd. had filed a suit in the High Court of Muar against a competitor distributor ("the Defendant") for unlawful detention of cylinders and unlawful interference with the Company's trade.

The Defendant is counterclaiming for costs of the claim, interest on amounts found due to the Defendant and damages for the Injunction Order, loss of income or profit, costs of storing the said cylinders as well as damages to the Defendant's reputation, image and goodwill.

The trial has been concluded on 13 November 2024. Subsequently, the Company and the defendant filed their written submissions and reply submissions. The decision is pending.

Based on the opinion of the solicitor, the Directors are of the view that the Company has a reasonable chance of success in its claims and in defending against the Defendant's counterclaim.

35.2 At 30 June 2025 the Parent Company and Group had contingent liabilities in respect of guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise amounting to RO 917,330 (2024: RO 846,939).

36 Financial instruments risk

Overview

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the group exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these separate and consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

(a) Credit risk

Credit risk arises from bank balances, contractual cash flows of debt investments carried at amortised cost, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a range of rating of between Aa3 to Baa3 are accepted based on Moody's independent rating.

If individual customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by individual customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and / or regions.

(ii) Impairment of financial asset

The Group has following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Amounts due from related parties
- Advances to related parties
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, inflation rate and oil barrel rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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36 Financial instruments risk (continued)

(a) Credit risk (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December, was determined as follows for trade receivables:

Parent

30 June 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	1.52%	4.22%	6.92%	56.70%	20.98%
Gross carrying amount of trade receivables (RO)	1,325,170	236,582	233,638	924,947	2,720,337
Loss allowance	20,080	9,994	16,166	524,399	570,639

Group

Continued operations

30 June 2025	Current	More than 30 days past due	More than 60 days past	More than 120 days	Total
Expected credit loss %	0.65%	1.49%	4.25%	54.63%	19.84%
Gross carrying amount of trade receivables (RO)	3,176,012	775,172	380,045	2,331,487	6,662,716
Loss allowance (RO)	20,552	11,523	16,166	1,273,687	1,321,928

Discontinued operations

30 June 2025	Current	More than 30 days past due	More than 60 days past	More than 120 days	Total
Expected credit loss %	0%	0%	0%	70.76%	70.76%
Gross carrying amount of trade receivables (RO)	-	-	-	903,068	903,068
Loss allowance (RO)	-	-	-	638,988	638,988

Parent

30 June 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss	1.88%	4.61%	10.34%	57.64%	26.73%
Gross carrying amount of trade receivables (RO)	948,836	150,649	107,373	927,661	2,134,519
Loss allowance	17,881	6,952	11,099	534,707	570,639

Group

Continued operations

30 June 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss	0.69%	1.54%	8.65%	61.59%	22.84%
Gross carrying amount of trade receivables (RO)	2,689,285	562,544	178,461	1,912,503	5,342,794
Loss allowance	18,486	8,663	15,445	1,177,913	1,220,507

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36 Financial instruments risk (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Group

Discontinued operations

30 June 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss %	0%	0%	0%	68.00%	68.00%
Gross carrying amount of trade receivables (RO)	-	-	-	941,950	941,950
Loss allowance (RO)	-	-	-	640,550	640,550

Trade receivables 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, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment loss on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Balances with banks

The Group limits its exposure to credit risk by placing balances with international and local banks. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations. The bank balances are held with the banks and financial institutions of repute.

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Due from related parties

The Company applies IFRS 9 General Model approach to measure expected credit losses which uses 3 stage model to recognise expected credit loss depending upon the credit risk of the counter party.

To measure the expected credit loss, the Company assess the probability of default by the counter as a result of default event that are possible within 12 months after reporting date. The Company also assess the financial position of the counter party if it has sufficient liquid asset to pay off the balance if repayment is made on demand. In addition, the Company also determines the loss given default of the amounts due from related parties.

(b) Liquidity risk

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

Parent

	Carrying amount RO	Contractual cash flows Less than one year RO	1 – 5 years RO
30 June 2025			
Trade creditors	316,174	316,174	-
Other creditors	194,626	194,626	-
Short term loans	2,083,706	2,083,706	-
Lease Liabilities	185,908	66,868	119,040
Bank overdraft	393,226	393,226	-
	3,173,640	3,054,600	119,040

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36 Financial instruments risk (continued)

(b) Liquidity risk (continued)

Parent

	Carrying amount RO	Contractual cash flows Less than one year RO	1 – 5 years RO
30 June 2024			
Trade creditors	361,498	361,498	-
Other creditors	189,035	189,035	-
Short term loans	1,702,270	1,702,270	-
Lease Liabilities	182,401	52,798	129,603
Bank overdraft	424,158	424,158	-
	2,859,362	2,729,759	129,603

Group

	Carrying amount RO	Contractual cash flows Less than one year RO	1 – 5 years RO
30 June 2025			
Trade creditors	3,600,952	3,600,952	-
Other creditors	2,022,306	2,022,306	-
Short term loans	2,083,706	2,083,706	-
Lease Liabilities	3,456,225	428,760	3,027,465
Bank overdraft	393,226	393,226	-
Amounts due to related parties	-	-	-
	11,556,415	8,528,950	3,027,465

Group

	Carrying amount RO	Contractual cash flows Less than one year RO	1 – 5 years RO
30 June 2024			
Trade creditors	3,902,519	3,902,519	-
Other payables	2,197,355	2,197,355	-
Short term loans	1,702,270	1,702,270	-
Lease Liabilities	2,038,309	231,873	1,806,436
Bank overdraft	424,158	424,158	-
Amounts due to related parties	-	-	-
	10,264,611	8,458,175	1,806,436

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will 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.

Currency risk

The Group is exposed to foreign currency transactions mainly due to its subsidiary in Malaysia. Should there be any fluctuation of +/- 1% in the foreign exchange rate the impact would be +/- RO 25,325 (2024: RO 37,961) on the foreign currency translation reserve of the Group.

Sovereign risk

The LPG is made available to the Parent Company from four sources at different rates by the Ministry of Energy and Minerals. Presently, the Group is allocated more from the costlier source. Any further increase in allocation from the costlier source will adversely affect the profitability of the Group.

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36 Financial instruments risk (continued)

(c) Market risk (continued)

Equity price risk

Equity price risk arises from FVTOCI securities. The Group has maintained the portfolio of FVTOCI securities listed at Muscat Securities Market. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

Sensitivity analysis - equity price risk

The following table demonstrates the sensitivity of the Group's equity to a 5% change in the price of its equity holdings, assuming all other variables in particular foreign currency rates remain constant.

Sensitivity analysis - equity price risk (continued)

	Effect on 5% increase RO	Effect on 5% decrease RO
30 June 2025	39,760	(39,760)
30 June 2024	43,734	(43,734)

(d) Interest rate risk

The Group is exposed to rate risk on its bank overdraft facility obtained at commercial rates of interest. Further, the Group has short-term bank deposit, which are interest bearing and exposed to changes in market interest rates. The group has term loans with fixed interest rates.

The Group manages its exposure to interest rate risk by ensuring that significant borrowings are on a fixed rate basis. The Group borrows at interest rates on commercial terms and manages the interest rate risk by constantly monitoring the changes in interest rates and availing lower interest bearing facilities.

37 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support future development of the business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Group's capital mix comprises only the shareholder's equity. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the half year ended 30 June 2025.

38 Fair value measurement

The fair value of financial assets and liabilities at the reporting date approximates their carrying amount in the separate and consolidated statement of financial position.

Fair value hierarchy

The following table shows the level within the hierarchy of non-financial assets measured at fair value on a recurring basis.

Parent and Group

	Level 1 RO	Level 2 RO	Level 3 RO
2025			
Financial assets at fair value through OCI	795,195	-	-
Freehold land	-	4,584,450	-
2024			
Financial assets at fair value through OCI	874,679	-	-
Freehold land	-	4,584,450	-

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38 Fair value measurement (continued)

Assets	Valuation technique	Significant observable inputs	Sensitivity of inputs to the fair value
Land	Open market basis considers the selling Price per square feet of land within a reasonably recent period of time in determining the fair value of land being revalued. This involves evaluation of event active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the land.	Price per square feet of land	Estimated fair value increase / (decrease) if : price per square feet increase / (decrease)

All the listed equity securities are denominated in RO and are publicly traded in Oman. Fair values have been determined by reference to their quoted bid prices at the reporting date.

During the reporting period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

39 Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in these separate and consolidated financial statements. Such reclassifications do not affect previously reported net profit or shareholders' equity.