

Oman and Emirates Investment Holding Company SAOG

Notes to the consolidated and separate condensed interim financial statements for the six-month period ended 30 June 2025

(Expressed in Omani Rial)

1 Legal status and principal activities

Oman and Emirates Investment Holding Company SAOG (“the Company” or “the Parent Company”) is an Omani joint stock company registered under the Commercial Companies Law and Regulations of the Sultanate of Oman. The Company’s shares are listed on the Muscat Stock Exchange and is engaged in investment activities and related services. The Parent Company operates in the Sultanate of Oman and has a branch which operates under the relevant local requirements of the United Arab Emirates (UAE).

The Group has the following subsidiaries and equity accounted investees:

	Country of incorporation	Shareholding percentage 2025	2024	Principal activities
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	81	81	Manufacturing of baby food
The Financial Corporation Company SAOG (FINCORP) and its subsidiaries	Oman	51	51	Financial services
Equity-accounted associates				
Oman Hotels and Tourism Company SAOC	Oman	32	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	21	21	Fiber optic products

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

These consolidated and separate condensed interim financial statements were approved for issue by the Board of Directors on 12 August 2025.

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman and the minimum disclosure requirements issued by the Financial Services Authority (FSA).

(b) Basis of measurement

The consolidated and separate condensed interim financial statements as at, and, for the six-month period ended, 30 June 2025 have been presented in accordance with International Accounting Standard 34 - “Interim Financial Reporting”. The accounting policies adopted in preparation of the consolidated and separate condensed interim financial statements are the same that were followed as at, and for the year ended, 31 December 2024. These consolidated and separate condensed interim financial statements should therefore be read in conjunction with the audited consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2024.

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2 Basis of preparation (continued)

(c) Functional currencies

The consolidated and separate condensed interim financial statements are presented in Omani Rials (RO) which is the functional and reporting currency for the Group and the Parent Company.

3 Changes in accounting policies

a) Standards, amendments and interpretations effective and adopted from 1 January 2025

The following new standards, amendments to existing standards or interpretations to various IFRS Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2025:

Standard or Interpretation	Title
Amendments to IAS 21	Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments).

These Amendments are applicable for annual reporting periods beginning on or after 1 January 2025. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

When applying the Amendments, an entity is not permitted to restate comparative information.

These amendments have no effect on the condensed and separate interim financial statement of the Group and the Parent Company.

(b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting period and the Group has decided not to adopt early.

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group and the Parent Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the consolidated and separate condensed interim financial statements of the Group and the Parent Company except for IFRS 18.

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3 Changes in accounting policies (continued)

(b) Standards, amendments and interpretations issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 Material accounting policy information, critical accounting estimates and key source of estimation uncertainty

(a) Material accounting policy information

The accounting policies used in the preparation of the consolidated and separate condensed interim financial statements are consistent with those used in the audited consolidated and separate financial statements of the Group and the Parent Company prepared as at, and for the year ended, 31 December 2024, as described in those audited consolidated and separate financial statements.

(b) Critical accounting estimates and key source of estimation uncertainty

The preparation of consolidated and separate condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual figures may differ from these estimates and judgments. While preparing the unaudited consolidated and separate condensed interim financial statements, the significant judgments made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2024.

The Group's and the Parent Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The consolidated and separate condensed interim financial statement do not include all financial risk management information and disclosures which are required in the annual audited consolidated and separate financial statements, and should therefore be read in conjunction with the audited consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2024. There has been no change in the risk management policies since 31 December 2024.

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5 Property, plant and equipment

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

Group

2025 (Un-audited)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2025	1,996,407	6,737,725	882,439	209,296	211,377	10,037,244
Additions during the period	2,863	3,967	3,258	2,489	-	12,577
At 30 June 2025	<u>1,999,270</u>	<u>6,741,692</u>	<u>885,697</u>	<u>211,785</u>	<u>211,377</u>	<u>10,049,821</u>
Accumulated depreciation						
At 1 January 2025	1,171,243	5,816,007	879,071	201,374	211,362	8,279,057
Charge for the period	24,107	72,364	837	1,772	-	99,080
At 30 June 2025	<u>1,195,350</u>	<u>5,888,371</u>	<u>879,908</u>	<u>203,146</u>	<u>211,362</u>	<u>8,378,137</u>
Net book amount						
At 30 June 2025	<u>803,920</u>	<u>853,321</u>	<u>5,789</u>	<u>8,639</u>	<u>15</u>	<u>1,671,684</u>

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for the six-month period ended 30 June 2025

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5 Property, plant and equipment (continued)

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

Group

2024 (Un-audited)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2024	1,996,407	6,737,725	881,444	207,981	211,377	10,034,934
Additions during the period	-	-	467	388	-	855
At 30 June 2024	<u>1,996,407</u>	<u>6,737,725</u>	<u>881,911</u>	<u>208,369</u>	<u>211,377</u>	<u>10,035,789</u>
Accumulated depreciation						
At 1 January 2024	1,123,028	5,671,278	838,299	197,892	211,362	8,041,859
Charge for the period	24,107	72,365	34,571	1,955	-	132,998
At 30 June 2024	<u>1,147,135</u>	<u>5,743,643</u>	<u>872,870</u>	<u>199,847</u>	<u>211,362</u>	<u>8,174,857</u>
Net book amount						
At 30 June 2024	<u>849,272</u>	<u>994,082</u>	<u>9,041</u>	<u>8,522</u>	<u>15</u>	<u>1,860,932</u>

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5 Property, plant and equipment (continued)

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

2024 (Audited)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2024	1,996,407	6,737,725	881,444	207,981	211,377	10,034,934
Additions during the year	-	-	995	1,315	-	2,310
At 31 December 2024	<u>1,996,407</u>	<u>6,737,725</u>	<u>882,439</u>	<u>209,296</u>	<u>211,377</u>	<u>10,037,244</u>
Accumulated depreciation						
At 1 January 2024	1,123,028	5,671,278	838,299	197,892	211,362	8,041,859
Charge for the year	48,215	144,729	40,772	3,482	-	237,198
At 31 December 2024	<u>1,171,243</u>	<u>5,816,007</u>	<u>879,071</u>	<u>201,374</u>	<u>211,362</u>	<u>8,279,057</u>
Net book amount						
At 31 December 2024	<u>825,164</u>	<u>921,718</u>	<u>3,368</u>	<u>7,922</u>	<u>15</u>	<u>1,758,187</u>

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5 Property, plant and equipment (continued)

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

Parent Company

	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
2025 (Un-audited)					
Cost					
At 1 January 2025 and at 30 June 2025	345,000	331,975	92,444	137,595	907,014
Accumulated depreciation					
At 1 January 2025	74,750	331,975	89,858	137,595	634,178
Charge for the period	6,900	-	491	-	7,391
At 30 June 2025	81,650	331,975	90,349	137,595	641,569
Net book amount					
At 30 June 2025	263,350	-	2,095	-	265,445

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5 Property, plant and equipment (continued)

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

Parent Company

	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
2024 (Un-audited)					
Cost					
At 1 January 2024 and at 30 June 2024	345,000	331,975	92,444	137,595	907,014
Accumulated depreciation					
At 1 January 2024	60,950	293,310	88,876	137,595	580,731
Charge for the period	6,900	33,165	491	-	40,556
At 30 June 2024	67,850	326,475	89,367	137,595	621,287
Net book amount					
At 30 June 2024	277,150	5,500	3,077	-	285,727

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5 Property, plant and equipment (continued)

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

Parent Company

2024 (Audited)	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost					
At 1 January 2024 and at 31 December 2024	345,000	331,975	92,444	137,595	907,014
Accumulated depreciation					
At 1 January 2024	60,950	293,310	88,876	137,595	580,731
Charge for the year	13,800	38,665	982	-	53,447
At 31 December 2024	74,750	331,975	89,858	137,595	634,178
Net book amount					
At 31 December 2024	270,250	-	2,586	-	272,836

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6 Cash and cash equivalents	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Cash on hand	2,092	3,091	2,057	966	1,965	1,022
Cash at bank	4,324,227	2,120,703	2,153,562	1,637,509	760,405	411,117
	4,326,319	2,123,794	2,155,619	1,638,475	762,370	412,139
Expected credit loss allowance	(240)	(185)	(240)	-	-	-
	4,326,079	2,123,609	2,155,379	1,638,475	762,370	412,139

(a) For the purposes of the consolidated and separate condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Cash and bank balances	4,326,079	2,123,609	2,155,379	1,638,475	762,370	412,139
Bank overdrafts	(57,094)	(68,308)	(68,608)	-	-	-
Restricted bank balances	(92,424)	(92,424)	(92,424)	(92,424)	(92,424)	(92,424)
	4,176,561	1,962,877	1,994,347	1,546,051	669,946	319,715

7 Trade and other receivables	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Trade receivables	898,381	1,521,001	1,247,139	-	-	-
Due from related parties (Note 22)	866,632	15,165	15,359	952,293	275,236	99,982
Allowance for expected credit loss on trade and related party receivables	(688,866)	(82,730)	(82,130)	-	-	-
	1,076,147	1,453,436	1,180,368	952,293	275,236	99,982
Other receivables	207,632	198,805	203,831	184,850	174,406	179,355
Allowance for expected credit losses on other receivables	(118,586)	(118,586)	(118,586)	(118,586)	(118,586)	(118,586)
	1,165,193	1,533,655	1,265,613	1,018,557	331,056	160,751
Prepaid expenses	73,586	65,696	72,416	20,197	21,649	14,270
	1,238,779	1,599,351	1,338,029	1,038,754	352,705	175,021

(a) The movement in allowance for expected credit loss on trade and related party receivables is as follows:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Opening balance	200,716	202,486	202,486	118,586	118,586	118,586
Charge for/(reversed) during the period/year	606,736	(1,170)	(1,770)	-	-	-
Closing balance	807,452	201,316	200,716	118,586	118,586	118,586

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 12/08/2025

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8 Inventories

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Stores and spares	260,560	244,614	292,582	-	-	-
	260,560	244,614	292,582	-	-	-

9 Investments at fair value through profit or loss

The movement in investments at fair value through profit or loss during the period/year was as follows:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Opening balance	13,852,346	14,731,511	14,731,511	10,012,944	10,375,967	10,375,967
Purchases during the period/year	164,453	465,813	983,360	-	-	-
Sales during the period/year	(1,159,256)	(969,706)	(2,107,828)	(1,071,186)	(270,877)	(395,200)
Unrealised fair value gains/(losses) for the period/year	697,342	153,353	(17,367)	535,140	206,781	(92,146)
Closing balance	13,554,885	14,380,971	13,852,346	9,476,898	10,311,871	10,012,944
Realised fair value gains on sale of investments	170,571	152,836	262,670	168,156	79,838	124,323

10 Investment in associates

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Opening balance	17,049,614	16,444,544	16,444,544	15,241,212	14,611,372	14,611,372
Share of profit for the period/year	480,033	812,788	1,261,925	354,979	695,362	1,159,342
Dividends received	(925,467)	(656,855)	(656,855)	(832,075)	(529,502)	(529,502)
Closing balance	16,604,180	16,600,477	17,049,614	14,764,116	14,777,232	15,241,212

		Carrying and fair value	Cost	Share of results
30 June 2025 (Un-audited)	Share holding percentage (%)			
Group				
Oman Hotels and Tourism Company SAOC	31.72	9,878,730	5,328,367	83,864
Oman Fiber Optic Company SAOC	21.97	4,885,386	2,742,573	271,115
Fincorp's holding in Fincorp Al Amal Fund	37	1,840,064	1,881,271	125,054
		16,604,180	9,952,211	480,033
30 June 2024 (Un-audited)	Share holding percentage (%)			
Group				
Oman Hotels and Tourism Company SAOC	31.72	9,745,337	5,328,367	47,033
Oman Fiber Optic Company SAOC	21.97	5,031,895	2,742,573	648,329
Fincorp's holding in Fincorp Al Amal Fund	37	1,823,245	1,881,271	117,426
		16,600,477	9,952,211	812,788

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10 Investment in associates (continued)

31 December 2024 (Audited) Group	Share holding percentage (%)	Carrying and fair value	Cost	Share of results
Oman Hotels and Tourism Company SAOC	31.72	9,794,867	5,328,367	96,562
Oman Fiber Optic Company SAOC	21.97	5,446,345	2,742,573	1,062,780
Fincorp's holding in Fincorp Al Amal Fund	37	1,808,403	1,881,271	102,584
		<u>17,049,615</u>	<u>9,952,211</u>	<u>1,261,926</u>
30 June 2025				
Parent Company				
Oman Hotels and Tourism Company SAOC	31.72	9,878,730	5,328,367	83,864
Oman Fiber Optic Company SAOC	21.97	4,885,386	2,742,573	271,115
		<u>14,764,116</u>	<u>8,070,940</u>	<u>354,979</u>
30 June 2024				
Parent Company				
Oman Hotels and Tourism Company SAOC	31.72	9,745,337	5,328,367	47,033
Oman Fiber Optic Company SAOC	21.97	5,031,895	2,742,573	648,329
		<u>14,777,232</u>	<u>8,070,940</u>	<u>695,362</u>
31 December 2024				
Parent Company				
Oman Hotels and Tourism Company SAOC	31.72	9,794,867	5,328,367	96,562
Oman Fiber Optic Company SAOC	21.97	5,446,345	2,742,573	1,062,780
		<u>15,241,212</u>	<u>8,070,940</u>	<u>1,159,342</u>

11 Investment in subsidiaries

Name of subsidiaries	Shareholding percentage	Cost
Omani Euro Food Industries Company SAOG	81%	1,616,747
The Financial Corporation Company SAOG (Fincorp)	51%	5,083,591
		<u>6,700,338</u>
	30 June 2025	30 June 2024
	(Un-audited)	(Un-audited)
Cost	6,700,338	6,700,338
Impairment allowance (a)	(3,000,351)	(3,000,351)
Revised cost	<u>3,699,987</u>	<u>3,699,987</u>
Opening carrying value	3,630,363	3,852,231
Share of results	(475,254)	88,789
Closing carrying value	<u>3,155,109</u>	<u>3,941,020</u>

- (a) The original cost of investment in Fincorp amounting to RO 5,083,591 includes goodwill of RO 1,383,604 which has been fully impaired and recognised in profit or loss in the previous years.

The original cost of investment in Omani Euro Food Industries Company SAOG amounting to RO 1,616,747 has been fully impaired and recognised in profit or loss in the previous years.

- (b) The Parent Company has partially pledged its investment in subsidiaries with commercial banks against credit facilities obtained.

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12 Investment properties

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Opening balance	2,702,250	2,826,450	2,826,450	2,432,250	2,556,450	2,556,450
Less: depreciation charge for the period	(62,100)	(62,100)	(124,200)	(62,100)	(62,100)	(124,200)
Less: impairment charge for the period	(54,000)	-	-	-	-	-
Closing balance	2,586,150	2,764,350	2,702,250	2,370,150	2,494,350	2,432,250

The investment properties relating to the Group and the Parent Company are stated at cost amounting to RO 3,105,000 less accumulated depreciation. In the opinion of the management, the market value of these investment properties as at 30 June 2025 approximate their carrying amounts.

13 Term loan

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Banks in Oman (Note a)	1,844,703	2,463,314	2,127,371	1,844,703	2,463,314	2,127,371
Less: current portion	1,076,469	854,000	1,135,292	1,076,469	854,000	1,135,292
Non-current portion	768,234	1,609,314	992,079	768,234	1,609,314	992,079
	1,844,703	2,463,314	2,127,371	1,844,703	2,463,314	2,127,371

(a) The Group's and the Parent Company's Omani Rial term loans carry effective annual interest rates ranging between 6.5% and 7% per annum (2024: between 6.5% and 7.00% per annum).

14 Trade and other payables

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Trade payables	1,586,482	690,768	767,992	44,972	21,488	30,721
Other payables	371,946	134,893	372,540	126,415	139,784	131,011
Interest payable	544,898	373,656	415,688	544,898	373,656	415,688
Due to Directors (Note 22)	19,535	10,969	14,262	-	407	300
Employee benefit liabilities (a)	155,848	139,047	149,214	31,582	24,756	28,197
Unclaimed dividends	92,424	92,424	92,424	92,424	92,424	92,424
Contract liabilities	19,833	10,039	-	-	-	-
Due to related parties (Note 22)	7,874	12,059	10,874	-	-	-
Provision for income tax	7,614	7,614	7,614	-	-	-
Provision for claim	1,099,641	-	600,000	-	-	-
	3,906,095	1,471,469	2,430,608	840,291	652,515	698,341

(a) Employee benefit liabilities

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
At 1 January	149,214	143,371	143,371	28,197	18,764	18,764
Charge for the period/year	13,383	10,236	20,404	3,385	5,992	9,433
Payments during the period/year	(6,749)	(14,560)	(14,561)	-	-	-
At 30 June/31 December	155,848	139,047	149,214	31,582	24,756	28,197

(b) The provision for claim which is based on the preliminary investigation report submitted by an independent consultant to one of the subsidiary, FINCORP, amounted to RO 1,099,641 of which is charged in the profit or loss for the previous year, with the balance RO

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499,641 being charged in the current period. This provision is subject to change based on any further developments that may take place with respect to the investigation which is currently on-going (Note 25).

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15 Loan from Government

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Loans from Government availed by:						
Parent Company	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Omani Euro Food Industries Company SAOG	3,653,000	3,653,000	3,653,000	-	-	-
	<u>8,653,000</u>	<u>8,653,000</u>	<u>8,653,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Less: deferred Government grant relating to:						
Parent Company	(351,474)	(691,880)	(351,474)	(351,474)	(691,880)	(351,474)
Omani Euro Food Industries Company SAOG	-	-	-	-	-	-
	<u>(351,474)</u>	<u>(691,880)</u>	<u>(351,474)</u>	<u>(351,474)</u>	<u>(691,880)</u>	<u>(351,474)</u>
Net amount	<u>8,301,526</u>	<u>7,961,120</u>	<u>8,301,526</u>	<u>4,648,526</u>	<u>4,308,120</u>	<u>4,648,526</u>

In the year 2001, the Parent Company received interest-free loans of RO 7,500,000 each from the Government of Oman and the UAE. The loan was repayable in 6 annual instalments commencing from November 2021. A further extension was granted and repayment of loan was expected to commence from March 2022. Partial repayment of the first instalment amounting to RO 1.2 million was made on 31 May 2022 and full repayment of the balance outstanding of the first and second instalments totalling RO 3.8 million was made on 28 June 2022. Further, the Parent Company settled the third instalment of RO 2.5 million on 24 November 2022 and subsequently the fourth installment was duly paid in November 2023 to align with the repayment schedule. The November 2024 installment of the loan was not repaid by the Parent Company due to shortage of funds and an extension is being requested. The management has accrued the penal interest for the period based on the agreement.

The loans obtained by Omani Euro Food Industries Company SAOG were arranged through a bank on behalf of the Government of Oman. In the year 2021, the repayment schedule of the Government soft loans was revised as agreed with the Government of the Sultanate of Oman. These carry an interest of 3% per annum. These loans are secured by a registered mortgage of the subsidiary's property, plant and equipment in favour of the commercial bank disbursing the soft loans.

16 Share capital

The authorised share capital of the Parent Company is RO 20,000,000, comprising of 200,000,000 of RO 0.100 each (31 December 2024: RO 20,000,000, comprising of 200,000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 121,187,500 (31 December 2024: 121,875,000) ordinary shares of RO 0.100 each (31 December 2024: RO 0.100 each).

Shareholders of the Parent Company who own 10% or more of the shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Percentage shareholding	Number of shares	Percentage shareholding	Number of shares
Brig.(Rtd) Masood Humaid Al Harthy	24.99%	30,456,562	24.99%	30,456,562
Al Khonji Invests LLC and Group, Oman	24.99%	25,791,833	21.44%	25,791,833

17 Legal reserve

In accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, annual appropriations of 10% of the net profit after tax are made to this reserve until the accumulated balance of the reserve is equal to one-third of the Parent Company's issued and fully paid-up share capital. This reserve is not available for distribution.

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18 Revaluation reserve

In accordance with the Group's and the Parent Company's policy, the items of property, plant and equipment of the Group and the Parent Company are stated at historical cost less accumulated depreciation and any impairment in these consolidated and separate condensed interim financial statements. In case where associates or subsidiaries of the Group carry any items of property, plant and equipment at a revalued amount in their respective stand-alone financial statements, the Group's or Parent Company's share of the revaluation surplus or loss is not accounted for in these consolidated and separate condensed interim financial statements.

The Group's share of revaluation surplus or deficit on property, plant and equipment of its subsidiaries or equity accounted associates, not accounted for in these consolidated and separate condensed interim financial statements in accordance with the Group's policy, is as follows:

	30 June 2025	30 June 2024	31 December
	(Un-audited)	(Un-audited)	(Audited)
Associates	1,684,561	1,684,561	1,684,561

19 Dividends

No cash dividend was approved in the Annual General Meeting of the Parent Company held on 29 March 2025.

20 Net investment income

	Group			
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
Realised income				
Dividend income	710,161	548,953	314,415	112,272
Realised profit on sale of investments at fair value through profit or loss	170,571	152,836	152,667	41,980
Rental income	76,640	70,932	39,540	33,561
Brokerage commission income	7,943	39,792	-	26,240
Asset management fees	34,540	43,267	14,359	20,444
Interest income/(expenses)	4,774	16	4,565	(21)
Total realised income (A)	1,004,629	855,796	525,546	234,476
Unrealised income				
Unrealised profit/(loss) on investments at fair value through profit or loss	697,342	153,353	703,700	(160,815)
Total unrealised income/(loss) (B)	697,342	153,353	703,700	(160,815)
Total investment income (A+B)	1,701,971	1,009,149	1,229,246	73,661

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Less: investment related expenses	(16,654)	(969)	(16,654)	(969)
Total net investment income	1,685,317	1,008,180	1,212,592	72,692

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20 Net investment income (continued)

	Parent Company			
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	Period from 1 April 2025 to 30 June 2025 (Un-audited)	Period from 1 April 2024 to 30 June 2024 (Un-audited)
Realised income				
Dividends income	559,161	396,865	236,365	84,852
Realised profit/(loss) on sale of investments at fair value through profit or loss	168,156	79,838	152,667	36,795
Rental income	76,640	70,932	39,540	33,561
Interest income	4,774	16	4,565	-
Total realised investment income (A)	808,731	547,651	433,137	155,208
Unrealised income				
Unrealised profit/(loss) on investments at fair value through profit or loss	535,139	206,781	484,859	(182,641)
Total unrealised income/(loss) (B)	535,139	206,781	484,859	(182,641)
Total investment income (A+B)	1,343,870	754,432	917,996	(27,433)
Less: investment related expenses	(16,654)	(969)	(16,654)	(969)
Total net investment income/(loss)	1,327,216	753,463	901,342	(28,402)

21 Gross profit on sale of food products

	Group		
	Period from 1 January 2025 to 30 June 2025 (Un-audited)	Period from 1 January 2024 to 30 June 2024 (Un-audited)	1 January 2024 to 31 December 2024 (Audited)
Sales	348,907	888,612	1,373,164
Cost of sales	(451,350)	(779,240)	(1,316,874)
Gross (loss) / profit	(102,443)	109,372	56,290

22 Related party transactions and balances

Related parties comprise the shareholders, directors, business entities in which they have the ability to control or exercise significant influence in financial and operating decisions and with senior management. The Group or the Parent Company have entered into transactions with entities related either to the shareholders or directors. In the ordinary course of business, such related parties provide goods and render services to the Group or the Parent Company. The transactions are carried on mutually agreed terms. During the period, the following transactions were carried out with the related parties:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
(a) Sales and income						
Associates and other related parties	14,207	1,599,983	1,634,514	-	-	276,254
(b) Purchases and expenses						
Directors and key management personnel	234,468	230,465	442,208	133,630	137,777	275,144
Other related parties	10,285	197,402	368,492	-	-	969
	244,753	427,867	810,700	133,630	137,777	276,113

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22 Related party transactions and balances (continued)

(c) Compensation of key management personnel

Basic salaries and allowances	183,368	165,465	424,006	119,130	105,474	324,216
Directors' sitting fees	51,100	18,800	98,000	14,500	6,300	17,400

(d) Due from related parties

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Subsidiaries/Associates/ Others (Note 7)	14,320	15,165	15,359	-	275,236	99,982

(e) Loan to related parties

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Subsidiaries/Associates/ Others (Note 7)	852,312	-	-	952,312	-	-

The loans to related parties are unsecured, bear interest at a rate of 7.5% per annum, have no fixed repayment terms, and are subordinated to the bankers of the Group and the Parent Company. As at 30 June 2025, RO 752,312 pertains to Oman Hotels and Tourism Company SAOC, while RO 100,000 each pertains to National Aluminium Products Company SAOG and Omani Euro Food Industries Company SAOG.

(f) Due to related parties

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Directors	19,535	10,969	14,262	-	407	300
Subsidiaries and others	7,874	12,059	10,874	18	-	-
	27,409	23,028	25,136	18	407	300

23 Basic/diluted earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit after tax attributable to equity shareholders of the Parent Company by the weighted average number of ordinary shares outstanding as at 30 June /31 December.

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Net profit after tax for the period attributable to shareholders of the Parent Company (RO)	424,503	1,083,163	363,085	672,900	1,159,405	701,012
Weighted average number of ordinary shares (Number)	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000
Earnings per share attributable to shareholders of the Parent Company (RO)	0.003	0.009	0.003	0.006	0.010	0.006

No figure for diluted earnings per share has been presented because the Parent Company has not issued any instruments which would

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have an impact on earnings per share when exercised.

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24 Net assets per share

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

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)
Net assets attributable to shareholders of the Parent Company (RO)	23,208,310	23,503,885	22,783,807	25,023,953	24,809,446	24,351,053
Weighted average number of ordinary shares outstanding (Number)	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000
Net assets per share (RO)	0.190	0.193	0.187	0.205	0.204	0.200

25 Fraud investigation relating to subsidiary - Fincorp

- i) During the year 2023, irregularities were detected in the brokerage division of Fincorp, leading to the appointment of a consultant, to investigate the matter. Phase 1 of the investigation has been completed, and Phase 2 is ongoing. The consultant's initial findings indicate financial misreporting through trade discrepancies (fraudulent trade shifts), which have resulted in the understatement of client receivables and payables by an equivalent amount. The management of Fincorp is in the process of obtaining confirmation of balances from all clients and reconciling their balances.
- ii) The above misstatements resulting from fraudulent trade shifts have also impacted the accurate reporting of brokerage commission income in the prior years.
- iii) The investigation has identified unauthorised transactions in margin trading facilities with an overseas broker, resulting in losses, which were charged to various client accounts.
- iv) Additionally, the report highlights instances of trade manipulation, where certain employees benefited from trade to the detriment of Fincorp and its clients. The management of Fincorp is evaluating legal measures to recover the losses from the individuals involved.
- v) The consultant and Fincorp's management are working to meet with all clients and ensure all necessary documentation is available to adjust client account balances. Further, meetings and client confirmations are required to finalise the reconciliation of balances and determine the accurate financial impact on the financial statements of Fincorp.
- vi) In one instance, from 2017, the employees opened a proprietary trading account with a US broker without obtaining the requisite Board approvals and subsequently began to undertake complex and highly risky leverage trades. These trades incurred considerable losses, some of which were duly recognised in the statement of profit and loss of the Group, albeit potentially in the wrong periods as they were concealed for an extended period of time.
- vii) As at 30 June 2025, the Group has recognised an additional provision of RO 499,641 to the existing provision of RO 600,000 for any potential future claims arising from the settlement of client accounts. An amount of RO 600,000 was already provided in the audited financial statements of the Group as at 31 December 2024. The provision represents management's best estimate of the financial impact of the above irregularities based on currently available information.
- viii) As a result of the losses and the attempts to conceal them, Fincorp experienced liquidity issues when clients submitted security sales and cash withdrawal requests.
- ix) In another instance, the employees performed unauthorised trading activities to benefit either directly or through a related party.
- x) At 30 June 2025, the reported net equity of Fincorp was RO 6.16 million. In the opinion of the Fincorp's management, account balances which are affected due to the above mentioned fraud are 'Trade and other receivables' stated at RO 0.093 million and 'Trade and other payables' stated at RO 1.51 million. All other assets such as bank balances and cash of RO 2.53 million and investments of RO 6.13 million, in aggregate, amounting to RO 8.66 million, are correctly stated.

26 Subsequent events

There were no events subsequent to 30 June 2025 and occurring before the date of the approval that are expected to have a significant impact on these consolidated and separate condensed interim financial statements.

27 Contingent liabilities

Group		
30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	December 2024 (Audited)

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Outstanding bank guarantees	<u>15,000</u>	<u>15,000</u>	<u>15,00206</u>
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