1 CORPORATE INFORMATION

OQ Base Industries (SFZ) SAOG (the "Parent Company" or "OQ BI"), formerly known as OQ Methanol (SFZ) SAOC, is a Public Joint Stock Company registered in the Sultanate of Oman. The Parent Company was originally incorporated in the Sultanate of Oman on 27 February 2006 as a Limited Liability Company and later converted to Closed Joint Stock Company in February 2023. On 15 December 2024, the Parent Company successfully listed its shares in a secondary sale and became a Public Joint Stock Company.

OQ BI is a subsidiary of OQ SAOC ("the Holding Company"), a closely held joint stock company incorporated in the Sultanate of Oman. The Holding Company is wholly owned and controlled by the Government of the Sultanate of Oman (the "Government") through the Oman Investment Authority ("OIA", or the "Ultimate Parent"). The Government of the Sultanate of Oman is identified as the "Ultimate Controlling Party."

The Holding Company owns 51% of the shares of OQ BI and the remaining 49% of the shares have been issued to the general public in secondary sale as part of the initial public offering.

On 17 July 2024, OQ BI has acquired 100% stake of OQ LPG (SFZ) SPC (the "subsidiary" or "OQ LPG"), formerly known as OQ LPG (SFZ) SAOC and is now a wholly owned subsidiary of OQ BI. OQ BI and OQ LPG together referred to as the "Group". The following acquisition has been accounted in accordance with the guidance for business combination under common control transaction. Refer to note 3.3(b).

Both OQ BI and OQ LPG are located in the Salalah Free Zone. OQ BI's principal business activities involve the production of methanol and ammonia through its Methanol and Ammonia Plants, respectively. OQ LPG's principal business activities involve the production of propane, butane, condensate and cooking gas through its LPG Plant.

2 SIGNIFICANT AGREEMENTS

The Group and Parent Company has entered into various agreements with third parties. A summary of the significant agreements is as follows:

(a) Lease of land / Sub-usufruct agreement

(i) Methanol plant site

As at 10 October 2007, OQ Base Industries (SFZ) SAOG has signed a lease agreement relating to the site of the methanol plant, along with a Sub-usufruct agreement with Salalah Free Zone Company SAOC (also known as "SFZ") for an area of 489,131.43 square meters. The agreement is valid for a period of 30 years.

OQ BI may be serving a written request to SFZ requesting an extension of the term for a further period not exceeding the term of the Head Usufruct Agreement. This arrangement has been accounted for as a lease in accordance with IFRS 16.

(ii) Ammonia plant site

As at 1 June 2017, OQ Base Industries (SFZ) SAOG has signed a lease agreement relating to the site of the ammonia plant, along with an Amendment Sub-usufruct agreement with Salalah Free Zone Company SAOC (SFZ) for an area of 118,242.96 square meters. The initial period considered for ammonia lease agreement is for a period of 30 years from the commencement of the commercial operations; however, OQ BI may be serving a written request to SFZ requesting an extension of the term for a further period not exceeding the term of the Head Usufruct Agreement. This arrangement has been accounted for as a lease in accordance with IFRS 16.

(iii) LPG plant site

On 31 March 2016, OQ LPG (SFZ) SPC was given Sub-usufruct rights by Salalah Free Zone Company SAOC (SFZ) relating to the site of the LPG plant for a term of 30 years with an extension available as per the agreement. The plot area of 214,693 square meters has been allotted under this agreement. The rental terms are at escalating rental rate at each 5-year interval with an initial period starting from 1 March 2017. This arrangement has been accounted for as a lease in accordance with IFRS 16.

2 SIGNIFICANT AGREEMENTS (continued)

(a) Lease of land / Sub-usufruct agreement (continued)

(iv) Salalah Port agreements

The Salalah Port Services Company SAOG (SPS) and OQ LPG (SFZ) SPC entered into set of agreements in relation to the requirements for LPG plant operations and the syndicated facility:

Lease agreement
On 16 May 2017, the lease of the land has been granted to OQ LPG at Salalah port relating to LPG storage area for an initial term of 30 years with an extension of 10 years for a plot area of 76,844 square meters. The agreement includes a grace period expiring at the earlier of commercial operation date or 30 September 2020. Therefore, OQ LPG has started to pay the rent from that time. The rental payment terms escalate after the 10th year from the effective date and are adjusted at 5-year intervals thereafter. This arrangement has been accounted for as a lease in accordance with IFRS 16.

Port facilities agreement
On 16 May 2017, under the terms of the lease agreement, SPS has allotted facilities to OQ LPG through the port facilitates agreement for a period similar to lease term of plot area at 30 years. OQ LPG is obliged to pay throughput fee as a compensation for the facilities.

The agreement includes a grace period expiring at the earlier of commercial operation date or 30 September 2020. Therefore, OQ LPG has started to pay the rent from that time. The port facility charges have been recognized in the statement of profit or loss under cost of sales. Refer to note 4(iii) for significant accounting judgements involved in recognition.

Right of way agreement
On 16 May 2017, under the terms of the lease agreement, the SPS has granted permissions as right of way to OQ LPG through the right of way agreement for a period similar to lease term of 30 years for use in construction and existence of Pipe Rack for supply of LPG products through port facilities. The agreement includes a grace period expiring at the earlier of commercial operation date or 30 September 2020. Therefore, OQ LPG has started to pay the rent from that time. The right of way charges has been recognized in the statement of profit or loss under cost of sales. Refer to note 4(iii) for significant accounting judgements involved in recognition.

(b) Gas Supply Agreement

On 14 January 2008, OQ Base Industries (SFZ) SAOG entered into a Gas Supply Agreement ("GSA") with the Government of the Sultanate of Oman through the Ministry of Energy and Minerals (formerly Ministry of Oil and Gas) (now novated to Integrated Gas Company (IGC)) {the "Seller"} for a period of 25 years from the date of commencement of OQ BI commercial production of methanol. Under the agreement the Seller undertakes to supply 0.65 trillion cubic feet of gas for a period of 15 years from the start of production to OQ BI.

As per the amendment on 30 March 2014 the Seller undertakes to supply 0.26 trillion cubic feet in total for the first six years after the expiry of 15 years and for the remaining term of the agreement, to supply gas on a reasonable efforts basis. The agreement provides for a minimum purchase undertaking on the part of OQ BI under a take or pay basis. The cost of gas consumed has been recognized in the statement of profit or loss under cost of sales. Refer to note 4(v) for significant accounting judgements involved in recognition.

The price of the gas is based on million British Thermal Units (BTUs). The price is a factor of weighted average netback price per tonne of methanol for actual shipments during the invoice month, as specified in the agreement.

From the date of commercial production and thereafter on 1 January of each agreement year, the Base Price shall be adjusted annually (on a cumulative basis) in accordance with the consumer price index published by the U.S. Bureau of Labor Statistics, U.S. Department of Labor.

2 SIGNIFICANT AGREEMENTS (continued)

(c) Off-take Agreements

(i) Methanol

OQ Base Industries (SFZ) SAOG signed a methanol off-take agreement dated 20 September 2007 with a related party, OQ Trading LLC (OQT), a subsidiary of the Holding Company, for off-take of 100% of the methanol's production, for a period of five years from the start of OQ BI's commercial production of methanol.

The agreement has an automatic renewal clause until the repayment of the term loan from banks. The said agreement has already been automatically renewed. Post repayment of all amounts owing to the Lenders under the Finance Documents, unless one party gives notice to the other party of its intention not to extend this agreement at least one (1) year prior to the scheduled expiry of the Initial Term (or any Subsequent Term), this Agreement shall be automatically extended at the end of the Initial Term or a Subsequent Term (as the case may be) for additional period of one (1) each year. Proceeds from Methanol have been accounted in accordance with IFRS 15 Revenue and recognized the statement of profit or loss under Revenue. Refer to note 4(ii) for significant accounting judgements involved in recognition.

(ii) Ammonia

(a) OQ Trading LLC

OQ Base Industries (SFZ) SAOG signed an ammonia off-take agreement dated 11 June 2017 with a related party, OQT, a subsidiary of the Holding Company, for off-take of 100% of the ammonia production, for a period of ten years from the start of OQ BI's commercial production of ammonia.

The agreement has an automatic renewal clause until the repayment of the term loan from banks. Post repayment of all amounts owing to the Lenders under the Finance Documents, unless one party gives notice to the other party of its intention not to extend this agreement at least one (1) year prior to the scheduled expiry of the Initial Term (or any Subsequent Term), this Agreement shall be automatically extended at the end of the Initial Term or a Subsequent Term (as the case may be) for additional period of one (1) each year. Proceeds from Ammonia have been accounted in accordance with IFRS 15 Revenue and recognized the statement of profit or loss under Revenue. Refer to note 4(ii) for significant accounting judgements involved in recognition.

(b) Deepak Oman Industries (SFZ) LLC

OQ Base Industries (SFZ) SAOG signed an ammonia off-take agreement dated 15 December 2025 with Deepak Oman Industries (SFZ) LLC ("DOI") (a limited liability Company operating in Salalah Free Zone), for the monthly off-take of a minimum of 1,350 tonnes of ammonia, with a maximum monthly quantity of 1,980 tonnes.

Upon commercial operation date of DOI, OQ BI will make the supply of ammonia at the designated delivery point. DOI is required to pay USD 120,000, within 30 days of signing the agreement, to cover the costs related to the construction of the designated delivery point.

All the risks and title of the product will be transferred to DOI at the delivery point.

The agreement has a term of 10 years from the date of commercial operations and can be extended to an additional period of 6 years (3 years for each extension period) by mutual agreement between the parties. ODI has not yet started its commercial operations and accordingly no delivery of Ammonia has been made until 31 December 2025. Proceeds from Ammonia will be accounted in accordance with IFRS 15 Revenue and recognized the statement of profit or loss under Revenue.

(iii) LPG

On 1 June 2017, OQ LPG entered into a LPG products (propane, butane and condensate) offtake agreement with OQT for a period of 15 years parallel to the syndicated facility.

2 SIGNIFICANT AGREEMENTS (continued)

(c) Off-take Agreements

(iii) LPG (continued)

The pricing for LPG products under the off-take agreement will be set based on the Saudi Aramco contract price for Propane and Butane. The prices of the condensate will be based on joint review and mutual agreement. Proceeds from LPG and condensate have been accounted in accordance with IFRS 15 Revenue and recognized the statement of profit or loss under Revenue. Refer to note 4(ii) for significant accounting judgements involved in recognition.

(d) Syndicate facility agreement

(i) OQ Base Industries (SFZ) SAOG

Loan settled in 2024
On 13 July 2017, OQ Base Industries (SFZ) SAOG had entered into an agreement for syndicated long-term facility in the aggregate maximum amount of ﷼ 280.3 million (US$728 million) (refer to note 23).

The Commercial Facility was to be used:

- in or towards OQ BI refinancing;
- in or towards repayment of loans provided by the Shareholders to fund Ammonia Project Costs prior to Financial Close in an amount not exceeding US$ 30 million (﷼ 11.5 million); and
- to fund Ammonia Project Costs incurred by or on behalf of OQ BI.

Effective 18 July 2017, Standard Chartered Bank (SCB) served as the offshore security agent, intercreditor agent, and facility agent for the secured finance parties. OQ BI's offshore bank account was maintained by Société Générale. Bank Muscat SAOG was the onshore bank and onshore security agent.

The syndicated long-term facility was settled fully in 2024.

Wakala facility
OQ BI has obtained a Syndicated Wakala facility from a syndicate of six banks (“Islamic facility”) in the aggregate amount of ﷼ 169.2 million under a facility agreement dated 24 December 2024. The entire amount of the facility was disbursed on 30 December 2024. The loan is availed to settle the existing Syndicate facility.

Sohar International Bank SAOG is the onshore bank and onshore security agent.

(ii) OQ LPG (SFZ) SPC

Loan settled in 2024
A syndicate of eight banks ("Lenders") had provided loan facility ("syndicated facility") of ﷼ 246 million to OQ LPG, as a special purpose vehicle incorporated to build own, operate and transfer liquefied petroleum gas ("LPG") plant, out of which OQ LPG utilised ﷼ 241 million with on gross cash flow stated in note 23. The syndicate is composed of three local and five foreign banks with secured loan facility was repayable in 24 semi-annual instalments. Repayment under the term loan facility commenced from 31 December 2020. The main covenants of the agreement were to maintain gearing ratio at threshold of 77.5% Debt versus 22.5% Equity (which included shareholder loan and capital). The agreement was signed on 17 May 2017. Standard Chartered Bank UK was the Facility agent for this arrangement, with Bank Muscat SAOG as an onshore agent and Société Générale UK as an offshore agent.

The syndicated long-term facility was settled fully in 2024.

Syndicated facility
A syndicate of seven banks ("Lenders") have provided loan facility ("syndicated facility") of ﷼ 186.5 million under a facility agreement dated 26 December 2024. The entire facility was disbursed on 30 December 2024. In 2025, a foreign Lender sold its major exposure to local Lenders on the same terms of the original contract. At 31 December 2025, syndicate of eight banks have exposure for the outstanding loan.

2 SIGNIFICANT AGREEMENTS (continued)

(d) Syndicate facility agreement (continued)

Syndicated facility (continued)
The loan proceeds are used to settle the entire amount of the existing Syndicate facility. The facility is repayable in sixteen semi-annual instalments. This syndicate facility is unsecured and does not carry any financial covenants. However, facility contains general undertaking pertaining to compliance with law, negative pledge, certain authorization, disposal of assets, merger and sanctions.

Bank Muscat SAOG is the onshore bank and onshore security agent.

(e) Port facilities agreement

OQ BI signed a port facilities agreement dated 14 November 2007 with SPS to provide Parent Company with access to the port area and the relevant port facilities in order to facilitate shipping of the product and the transportation of sea water to and from the Methanol Plant. The port facility charges have been recognized in the statement of profit or loss under cost of sales. Refer to note 4(iii) for significant accounting judgements involved in recognition.

The agreement came into force and effect from the commencement date (14 November 2007) and continue until the expiry of OQ BI operating period (31 October 2028) unless extended or terminated. If either party wishes to extend the term it shall give the other party notice to that effect not later than twenty four (24) months prior to the end of the term.

On 1 August 2016, OQ BI and SPS herein agreed to extend the term of the agreement beyond 31 October 2028 for a period of six (6) years, effectively form 1 November 2028 under the same terms and conditions.

On 14 June 2017, OQ BI and SPS entered into second amendment as OQ BI is expanding the Plant to allow for the production of ammonia. OQ BI and SPS have agreed to enter into this addendum agreement to amend the terms of the Original Agreement to reflect the fact that future allocated berth is complete and to allow OQ BI the right to transport ammonia across the port area and through the future allocated berth.

(f) Shareholder loan agreements (the "Shareholder loan)

The OQ LPG (SFZ) SPC had entered into shareholder loan agreements with Oman Oil facilities development Company LLC ("OOFDC") (previous Shareholder of OQ LPG). These shareholders loan agreements were subordinated to the secured facility provided by the Lenders. The three agreements are as under:

Base equity
OOFDC had provided a funding facility of ﷼71.614 million out of which utilized amount is ﷼ 71.614 million as of 2023 through this agreement which represents the 22.5% of the equity portion of the project. The agreement was signed on 15 May 2017. Refer to note 24.

Standby equity
OOFDC had guaranteed a sum of loans as standby equity of ﷼ 29.261 million under this agreement to cover escalations for varied scenarios during and beyond construction period. The agreement was signed on 15 May 2017.

VAT equity
OOFDC had guaranteed a sum of loans as contingent funds for implications of value added tax (VAT) on the project once implemented. The funds under the agreement were to the value of ﷼ 11.6 million, the agreement was signed on 15 May 2017.

As part of the Group's financing restructuring, OQ LPG and OQ BI novated back-to-back shareholder loans (SHLs) in October 2024. The SHLs between OQ SAOC, OOFDC, and OQ LPG were transferred to OQ BI, with Board approvals obtained on 13 October 2024 and legal formalities completed.

Before its IPO, OQ LPG fully repaid its shareholder loan by transferring ﷼ 38 million (US$ 99 million) to OQ BI on 2 December 2024.

2 SIGNIFICANT AGREEMENTS (continued)

(f) Shareholder loan agreements (the "Shareholder loan) (continued)

VAT equity (continued)
Additionally, as part of the restructuring, OQ BI's shareholder loan became payable to OQ SAOC. To settle this, OQ BI issued ordinary shares to OQ SAOC, exchanging the novated OQ LPG loan (﷼ 38.2 million) at par value. The share capital increase was approved at an Extraordinary General Meeting on 28 October 2024. Refer to note 24.

(g) BOOT and NGSA

On 11 June 2017, OQ LPG (SFZ) SPC entered into a Build, Own, Operate and Transfer (BOOT) and Natural Gas Supply Agreement ("NGSA) (now novated to Integrated Gas Company (IGC)) with the Sultanate of Oman through the Ministry of Energy and Minerals (MEM) (the "Government') for an initial term of 25 years with extension available at sole discretion of the Government for an additional 10 years.

Under the Agreement, the Government undertakes to supply Rich Natural Gas during the commissioning of the Project and from the commercial operation date (COD). OQ LPG is required to provide an anticipated scheduled commercial operation date to the Government no later than 6 months prior to such scheduled COD.

The gas supply is at zero cost, with recovery through sharing of residual cash at 80% payable to the Government under terms of the NGSA. 20% of the residual cash will be available for distribution to the shareholder under the same terms of the sharing. Shareholder loans, including accrued interest thereon, will be recovered in priority along with senior secured debt provided by the lenders under the syndicated facility agreement.

Under this agreement, the rich gas received from MEM has been recognized as cost of sales upon consumption. The LPG plant has been accounted for in accordance with IAS 16 and recognized as property, plant, and equipment in the consolidated statement of financial position. Refer to note 4(v) for significant accounting judgements involved in recognition.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

(a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the minimum disclosure requirements issued by Financial Services Authority (FSA) and the applicable provisions of the Commercial Companies Law of 2019.

(b) Basis of measurement

The consolidated and separate financial statements of the Group and the Parent Company are prepared under the historical cost convention and under going concern assumption.

The consolidated and separate financial statements of the Group and Parent Company provide comparative information in respect of the previous period. Certain comparative figures have been reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassifications did not affect the previously reported net profit, other comprehensive income, or total equity.

The Parent Company's acquisition of OQ LPG was considered as a business combination under the common control therefore, the consolidated and separate audited financial statements for the year ended 31 December 2024 were re-presented following the merger accounting rules, as if the business combination had occurred from the beginning of the earliest period presented. These consolidated and separate audited financial statements for the year ended 31 December 2024 are presented as comparative information for these consolidated and separate statement of financial position.

3 ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

(c) Functional and presentation currency

The functional currency of the Group and Parent Company is US Dollar ("US$") as this is the currency in which the majority of transactions are denominated in. The presentation currency is Rial Omani ("﷼" or "RO") which is used to meet the requirement of the FSA. The fixed exchange rate used for conversion is US$ 1 = ﷼ 0.3845 (2024: US$ 1 = RO 0.3845).

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary (OQ LPG) as at 31 December 2025. The Parent Company is holding 100% shares in the subsidiary as at 31 December 2025 (31 December 2024: 100%)

The 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 relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements 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 equity holders of the Parent Company and the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.3 Summary of accounting policies

(a) New standards, interpretations and amendments adopted by the Group and the Parent Company

New standards, interpretations and amendments that are effective for the current year
The Group and Parent Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(a) New standards, interpretations and amendments adopted by the Group and the Parent Company (continued)

New standards, interpretations and amendments that are effective for the current year (continued)
The Group and Parent Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to IAS 21
The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments had no impact on the Group and Parent Company's consolidated and separate financial statements.

New and revised IFRS standards and interpretations issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and Parent Company's consolidated and separate financial statements are disclosed below. The Group and Parent Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in the consolidated and separate financial statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group and Parent Company is currently working to identify all impacts the amendments will have on the consolidated and separate financial statements and notes to the consolidated and separate financial statements. The initial expected material impacts on Group and Parent Company's consolidated and separate financial statements are as follows:

- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(a) New standards, interpretations and amendments adopted by the Group and the Parent Company (continued)

New and revised IFRS standards and interpretations issued but not yet effective (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group and Parent Company does not anticipate that the amendments will have a material effect on the Group and Parent Company's consolidated and separate financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed. The amendments are not expected to have a material impact on the Group and Parent Company's consolidated and separate financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21
These amendments are not expected to have a material impact on the Group and Parent Company's consolidated and separate financial statements.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(b) Business combination and goodwill

The Group accounts for business combinations under the acquisition method, except for transactions under common control, when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an 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.

Common control transactions
Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have any substance, the Group adopts the pooling of interests method which is commonly known as ‘predecessor’s value method’.

Under the pooling of interests method, the carrying value of net assets (equity) and liabilities in the books of the entity transferred, are used to account for these transactions. The relevant book value is the carrying amount of the investee in the separate financial statements of the entity transferred.

No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to the entities consolidated. Any difference between the consideration paid and the net assets acquired is reflected as ‘common control reserve’ within equity in the consolidated financial statements.

(c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Cost includes any other cost directly attributable to bringing the asset to working condition for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group and Parent Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property plant and equipment as a replacement if the recognition criteria are satisfied. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Major spare parts and stand-by equipment qualify as property, plant and equipment if they are expected to be used for more than one year. All other repair and maintenance costs are recognised in profit or loss as incurred.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(c) Property, plant and equipment (continued)

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Expenditure on major maintenance, refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group and Parent Company, the expenditure is capitalised.

Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Depreciation is charged on property, plant, and equipment from the date the asset is available for use, which is typically the date of purchase or commissioning, until the date the asset is derecognized, which is the earlier of the date of disposal or when the asset is permanently withdrawn from use.

The estimated useful lives of property, plant and equipment are as follows:

Class of asset	***2025 Years***	*2024 Years*
Building and civil facilities	**20 - 30**	20 - 30
Furniture and fixture	**3 - 8**	3 - 8
Plant and equipment [refer note 12 (b)]	**4 - 40**	4 - 30
Vehicles	**5 - 10**	5 - 10
Capital spares	**2 – 5**	2 – 5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 statement of profit or loss when the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate (refer note 12 (b) for the assessment of useful lives of property, plant and equipment).

Capital work in progress is stated at cost less impairment, if any, until the construction is completed. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalised borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

(d) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(d) Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset, using straight-line method over the estimated useful economic lives.

A summary of the policies applied to the Group's intangible assets is, as follows:

	Software
Useful lives	3 - 5 years
Amortisation method used	Amortised on a straight-line basis over the estimated period of the use
Internally generated or acquired	Acquired

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation methods, useful lives and residual values are reviewed at each reporting period.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised.

The useful life of an intangible asset with an indefinite life is reviewed at each reporting date to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(e) Leases

The Group and Parent Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Parent Company as a lessee
The Group and Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and Parent Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(e) Leases (continued)

(i) Right-of-use assets (continued)

	Years
Right-of-use assets (lease of land)	20 – 30

If ownership of the leased asset transfers to the Group and Parent Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

(ii) Lease liabilities

At the commencement date of the lease, the Group and Parent Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and Parent Company and payments of penalties for terminating the lease, if the lease term reflects the Group and Parent Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and Parent Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Parent Company has used this practical expedient. The subsidiary has not used this practical expedient.

(iii) Short-term leases and leases of low-value assets

The Group and Parent Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(f) 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. The costs of inventories include expenses incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition and in the case of finished goods, cost includes an appropriate share of overheads based on normal operating capacity.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(f) Inventories (continued)

Inventory costs are determined as follows:

Type of inventory	*Cost method*
Spare parts, chemicals and consumables:	Weighted average cost
Finished products (Methanol, Ammonia, Propane, Butane, Condensate and LPG)	First in first out (FIFO)

Provision is made for obsolete, slow-moving or defective inventory items based on periodic review. Inventories are written down to net realisable value when the cost is not expected to be recoverable, and such write-downs are recognised as an expense in the period in which the reduction in value occurs. Any subsequent increase in the net realisable value of inventory previously written down is recognised as a reduction of the expense in the period in which the recovery occurs.

Write-offs of inventory occur when items are identified as obsolete, damaged, or otherwise unsaleable, and all such write-offs are recognised in the period in which they are identified.

(g) Impairment of non-financial assets

The carrying amounts of the Group and Parent Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

The Group and Parent Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and Parent Company 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 of disposal and its value in use.

The 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 post-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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group and Parent Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group and Parent Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and Parent Company estimates the asset's or CGU's 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.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(g) Impairment of non-financial assets (continued)

The reversal is limited so that the carrying amount of the asset 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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group and Parent Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and Parent Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and Parent Company's has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and Parent Company has applied the practical expedient are measured at the transaction price as disclosed in section (m) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group and Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and Parent Company commits to purchase or sell the asset.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(h) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and Parent Company's financial assets at amortised cost includes trade and other receivables, due from related parties, term deposits and cash and cash equivalents.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Group and Parent Company of similar financial assets) is primarily derecognised (i.e., removed from the Group and Parent Company's consolidated and separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group and Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group and Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and Parent Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and Parent Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and Parent Company could be required to repay.

Impairment
Further, disclosures relating to the impairment of financial assets are also provided in the following notes:

- Trade, other receivables and prepayments, refer to note 18
- Due from related parties, refer to note 30
- Term deposits, refer to note 19
- Cash at bank, refer to note 20

The Group and Parent Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(h) Financial instruments (continued)

(i) Financial assets (continued)

Impairment (continued)
ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Parent Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and Parent Company applies a simplified approach in calculating ECLs. Therefore, the Group and Parent Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and Parent Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition, measurement and presentation
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group and Parent Company's financial liabilities include trade and other payables, loans and borrowings, lease liabilities, accrued liabilities for rich gas and due to related parties.

The Group and Parent Company classifies financial liabilities that arise from supplier finance arrangement within trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group and Parent Company's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and other payables in the consolidated and separate statement of financial position are included in operating activities in the consolidated and separate statement of cash flows.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (accrued liability for rich gas and loans & borrowings)

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(h) Financial instruments (continued)

(ii) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes negative value of derivative financial instruments entered into by the Group and the Parent Company.

Financial liabilities at amortised cost (accrued liability for rich gas and loans & borrowings)
This is the category most relevant to the Group and Parent Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated and separate statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 23.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate 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, to realise the assets and settle the liabilities simultaneously.

(iv) Fair value measurement

The Group and Parent Company measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(h) Financial instruments (continued)

(iv) Fair value measurement (continued)

The Group and Parent Company 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 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 the purpose of fair value disclosures, the Group and Parent Company 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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions, refer to note 3.3(i)
- Quantitative disclosures of fair value measurement hierarchy, refer to note 35
- Financial instruments (including those carried at amortised cost), refer to note 33

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group and Parent Company uses derivative financial instruments, such as, interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group and Parent Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group and Parent Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(i) Derivative financial instruments and hedge accounting (continued)

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and Parent Company actually hedges and the quantity of the hedging instrument that the Group and Parent Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

(j) Employees' end of service benefits

The Group and Parent Company's obligation for contributions to defined contribution pension plans are recognised as an expense when due. The Group and Parent Company's obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Group and Parent Company makes payment to the Omani Government Social Security scheme under Royal Decree 52/2023 for Omani employees, calculated as a percentage of the employees' salary. The Group and Parent Company's obligations are limited to these contributions, which are expensed when due.

The Group and Parent Company also provides end-of-service benefits to its expatriate employees. End-of-service benefits are accrued in accordance with the terms of employment of the Group and Parent Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law and its amendments subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The liability for end of service benefits is recognised based on actuarial valuation using projected unit credit method. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recorded in other comprehensive income. Service costs are classified as administrative expenses. Interest costs are charged to the consolidated and separate statement of comprehensive income.

(k) Provisions

A provision is recognised when the Group and Parent Company has a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made thereof.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(k) Provisions (continued)

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of this discounting is recognised as finance cost.

Amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(l) Taxes

The Group and Parent Company are registered in the Salalah Free Zone ("SFZ"). In accordance with the provisions of Royal Decree Nos. 56/2002 and 62/2006, the entities located in SFZ are exempt from corporate income taxes under the Corporate Income Tax Law for a period of 30 years from the date of commencement of activities.

Value added tax
Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated or separate statement of financial position.

(m) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and Parent Company recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer:
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract:
A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price:
The transaction price is the amount of consideration to which the Group and Parent Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract:
For a contract that has more than one performance obligation, the Group and Parent Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group and Parent Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue
An entity recognises revenue when (or as) it satisfies a performance obligation by transferring a good or service to a customer. An entity 'transfers' a good or service to a customer when the customer obtains control of that good or service.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(m) Revenue recognition (continued)

Step 5 Recognise revenue (continued)
Indicators that control has passed include the customer having:

- A present obligation to pay;
- Physical possession;
- Legal title;
- The risks and rewards of ownership; and
- Accepted the asset.

Revenue can be measured reliably and is stated net of sales taxes if applicable (such as VAT) and discounts. If advances are received from customers for future contractual services, the revenue is deferred until the services are provided.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied. Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group and Parent Company's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and Parent Company.

Where revenue contains a significant financing element, the financing element is shown as a financing item and revenues are adjusted by a corresponding amount. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The Group and Parent Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

The Group and Parent Company has concluded that it is the principal in all of its revenue arrangements, since it is the primary obligor, and is also exposed to the risk of loss of inventory.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product	***Nature and timing of satisfaction of performance obligations including significant payment terms***	***Revenue recognition policies***
Sale of products; *Exports* Methanol Ammonia Butane Propane Condensate *Local* LPG	Revenue from contracts with customers is recognised when the customers obtain control of the goods and one of the relevant consideration for determining when the control is transferred is the agreed shipping term. Invoices are generated at that point in time. Invoices are usually payable within 30-45 days.	Revenue is measured at the amount the entity expects to receive and recognize in exchange for goods and services when control of the agreed goods or services and the benefits obtainable from them are transferred to the customer. The performance obligations arising from contracts with the Group and Parent Company's customers are almost always satisfied at a point in time. Transaction price is based on market price agreed with the customers. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(m) Revenue recognition (continued)

Step 5 Recognise revenue (continued)
Revenue is arrived taking into account revenue, discounts, premium and marketing fee and incentives.

Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the reporting date.

(n) Foreign currencies

The Group and Parent Company's consolidated and separate financial statements are presented Rial Omani (﷼). However, the functional currency of the Group and Parent Company is US Dollar ("US$") as this is the currency in which the majority of transactions are denominated in.. For each entity, the Group and Parent Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(o) Earnings per share

The Group and Parent Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and Parent Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is calculated by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(p) Dividend distribution

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Parent Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

(q) Events after the reporting date

The consolidated and separate financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated and separate financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed on the consolidated and separate financial statements when material.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(r) Directors' remuneration and sitting fees

The board of directors' remuneration is accrued within the limits specified by the Financial Services Authority and the requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman. These costs are recorded as expenses in the period in which they are incurred.

(s) Segment reporting

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

The Group and Parent Company's operating segments are established on the basis of those components of the Group and Parent Company that are evaluated regularly by the Group's Chief Executive Officer (Chief Operating Decision Maker), in deciding how to allocate resources and in assessing performance.

The accounting policies of the operating segments are the same as the Group and Parent Company's accounting policies described in this note, except that measures of results of operating segments i.e. EBITDA is not in accordance with IFRS but is based on the amounts reported to the Chief Operating Decision Maker. For further information, refer to note 31.

(t) Current versus non-current classification

The Group and the Parent Company present assets and liabilities in the consolidated and separate statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least.
- twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Parent Company classify all other liabilities as non-current.

(u) Cash and short-term deposits

Cash and short-term deposits in the consolidated and separate statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3 ACCOUNTING POLICIES (continued)

3.3 Summary of accounting policies (continued)

(u) Cash and short-term deposits (continued)

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group and Parent Company's cash management.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group and Parent Company's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group and Parent Company's exposure to risks and uncertainties include:

- Capital management, refer to note 34.
- Financial instruments risk management and policies, refer to note 34.
- Sensitivity analyses disclosures, refer to note 34(iii)(b).

Judgements
In the process of applying the Group and Parent Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

(i) Determining the lease term of contracts with renewal and termination options – Group and Parent Company as lessee

The Group and Parent Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and Parent Company has several lease contracts that include extension and termination options. The Group and Parent Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to note 34 (ii) for information on potential future rental payments relating to periods following the exercise date of extension.

(ii) Assessment of containing lease on off take agreements

As disclosed in [note 2(c)], the Group has three offtake agreements with OQ Trading LLC which is off taker of Methanol, Ammonia and LPG Products. As per the agreement, OQ BI and OQ LPG have the discretion to sell the products to third parties and determining annual nomination to OQ Trading LLC. Additionally, OQ Trading LLC does not have the right to direct the use of the assets, as OQ BI and OQ LPG retain control over key operational decisions. Furthermore, OQ Trading LLC does not determine the design of the underlying assets during the construction.

Hence, the management has evaluated and concluded that off-take agreements do not meet the definition of a lease under IFRS 16. Hence, it has been accounted as property, plant and equipment under IAS 16 and proceeds are recognized in accordance with IFRS 15 Revenue.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

(iii) Lease identification on port facilities and right of way

Management evaluated contracts related to port facilities and rights of way under IFRS 16 to determine if they contain leases:

Port facilities: The contracts provide OQ BI and OQ LPG access to port facilities on a non-exclusive basis. Despite detailed specifications in the contract, the Lessor retains discretion over which facilities are allocated to OQ BI and OQ LPG. As a result, management concluded that no identified asset is identified, and the contract does not meet the definition of a lease under IFRS 16. Hence, relevant payments have been considered as an expenditure in the statement of profit or loss and other comprehensive income.

Right of way: The contract explicitly establishes the right of way for the construction of a pipeline. However, the pipe rack has been constructed as an elevated structure, detached from the land, and thus does not constitute an identifiable asset. Additionally, OQ LPG's rights to this right of way are non-exclusive. Based on these factors, management has concluded that there is no identified asset within this arrangement. Furthermore, there are no significant restoration obligations associated with this arrangement. Consequently, the arrangement does not fulfill the criteria for classification as a lease under IFRS 16. As such, the related payments are recognized as an expense in the statement of profit or loss and other comprehensive income.

(iv) Classification of LPG Plant

As disclosed in [note 2(g)], OQ LPG entered into a BOOT and NGSA. According to this agreement, Integrated Gas Company (IGC) does not have control over pricing; OQ LPG independently sets its prices, with key contracts linked to market indices, and the arrangement is a public-to-public transaction. Based on these facts, the management has assessed the applicability of IFRIC 12 and concluded that the arrangement does not meet the criteria for service concession accounting. As a result, the plant and machinery are classified as property, plant, and equipment in accordance with IAS 16.

Rich gas received from IGC is treated as inventory and recognized as cost of sales upon consumption. Given the nature of rich gas, it cannot be stored and is supplied directly to production through pipelines as needed. Therefore, no inventory related to rich gas exists as of the reporting date.

(v) Own use contract of under Gas Supply Agreement

As disclosed in [note 2(b)], OQ BI entered into a Gas Supply Agreement (GSA) with the Ministry of Energy and Minerals for the purchase of gas to be used in Methanol production.

Based on the agreement, GSA does not involve trading, speculation, or net settlement. Instead, the gas is purchased solely for use in production as a non-financial item, and physical delivery is required under the terms of the contract. Management assessed whether the contract should be treated as a financial instrument or fall under the "own use" exemption. IFRS 9 applies to contracts that involve financial instruments or can be settled on a net basis, including contracts held for trading or speculation.

As the gas is a raw material and not part of a speculative arrangement and not settled on a net basis, management has concluded that the contract qualifies for the "own use" exemption under IFRS 9. Hence, cost of gas has been recognized in the statement of profit or loss.

(vi) Classification of accrual for rich gas for OQLPG

As disclosed in note 2 (g) for significant agreements, the Group is required to share 80% of its residual cash with the Integrated Gas Company (IGC) from the revenue generated on sale of Butane, Propane, Condensate and LPG (cooking gas) as a consideration for the rich gas supplied by the IGC. Management has estimated the amount payable based on the expected future cash flows generated from the plant and recognized a liability which involves applying certain critical estimates as detailed in Note 4.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

(vi) Classification of accrual for rich gas for OQLPG (continued)

As per the agreement with the IGC, any payments for this obligation will commence after the repayment of shareholder loans and senior secured debt provided by lenders, including any accrued interest thereon. Considering these payments are not at the discretion of the Group, this balance payable is classified as a liability in accordance with IAS 32.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group and Parent Company based its assumptions and estimates on parameters available when the consolidated and separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and Parent Company. Such changes are reflected in the assumptions when they occur.

(vii) Discounting of lease payments

The lease payments are discounted using the Group and Parent Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease by inquiring it from local banks operating in Oman.

(viii) Useful lives of property, plant and equipment

The costs of items of property, plant and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- which reflects current usage patterns of the assets,
- updated operational conditions; and
- expected future economic benefits derived from these assets.

Management has not made estimates of residual values for any items of property, plant and equipment at the end of their useful lives as these have been deemed to be insignificant. Refer to 12 (b) for further details about the re-assessment of useful lives of property, plant and equipment carried out during the year.

(ix) Allowance for expected credit losses of trade receivables and due from related parties

The Group and Parent Company uses a provision matrix to calculate ECLs for trade receivables and due from related parties. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group and Parent Company's historical observed default rates. The Group and Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group and Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group and Parent Company's trade receivables and due from related parties is disclosed in Note 18 and Note 30(ii).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(x) Accrual for rich gas for OQLPG

The Group and Parent Company recognizes the cost of gas received (inventory) from IGC by projecting production, sales, and expenses over a 25-year period based on its operating model (based on NGSA/ BOOT agreement). The net cash flows payable to IGC are determined based on this 25-year forecast. The price of gas is derived by dividing IGC's total share by the total quantity. The financial liability to IGC is measured at amortised cost, with future payments discounted to present value using the rate disclosed in Note 26. The estimation process involves significant judgment and the use of assumptions, which are reviewed annually.

(xi) End of service benefits

The Group and Parent Company recognizes its end of service benefit obligations, which represent the Group and Parent Company's liability towards its employees' post-employment benefits. The measurement of these obligations involves judgment and estimation, primarily due to the long-term nature and inherent uncertainties of these liabilities. The present value of defined benefit obligations is determined by projected unit credit method to estimate the benefits that employees have earned in return for their service in the current and prior periods. Refer to note 25 for key actuarial assumption used in the estimate.

(xii) Climate related matters

The Group and Parent Company considers climate-related matters in estimates and assumptions, where appropriate. The Group and Parent Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

Even though the Group and Parent Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group and Parent Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

(i) Useful life of property, plant and equipment.
(ii) Impairment of non-financial assets.
(iii) Fair value measurement.

5 REVENUE

The Parent Company's revenue is primarily generated from the sale of methanol and ammonia, whereas the Group generates revenue from methanol, ammonia, and LPG products sold to its customers. This disclosure is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (note 31) and revenue from contracts with customers [note 3.3(m)].

Revenue from contracts with customers:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Gross revenue	**224,276,406**	239,664,297	**149,826,901**	155,194,586
Add: premium / Less: (discount)	**1,695,578**	(4,819,505)	**3,227,214**	(1,491,787)
	225,971,984	234,844,792	**153,054,115**	153,702,799

(i) Timing of recognition

Revenue from all the products generated by the Group and the Parent Company is recognised at a point in time.

5 REVENUE (continued)

Revenue from contracts with customers: (continued)

(ii) Type of goods

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Methanol	**108,815,479**	111,623,041	**108,815,479**	111,623,041
Ammonia	**44,238,636**	42,079,758	**44,238,636**	42,079,758
Butane	**20,730,020**	24,797,594	**-**	-
Propane	**32,500,696**	35,859,951	**-**	-
Condensate	**10,301,183**	11,722,027	**-**	-
LPG (Cooking gas) *	**9,385,970**	8,762,421	**-**	-
	225,971,984	234,844,792	**153,054,115**	153,702,799

* This includes revenue generated from customers located in the Dhofar region, a portion of which is received from the Ministry of Finance as government subsidy provided to these customers.

(iii) Geographical markets

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Export – United Arab Emirates	**216,586,014**	226,082,371	**153,054,115**	153,702,799
Local – Sultanate of Oman	**9,385,970**	8,762,421	**-**	-
	225,971,984	234,844,792	**153,054,115**	153,702,799

(iv) All the sales of Methanol, Ammonia, Butane, Propane and Condensate is made to a related party (OQ Trading LLC), refer note 30 (i)

6 COST OF SALES

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Natural gas consumption	**65,347,934**	64,157,062	**65,347,934**	64,157,062
Notional cost of rich gas - LPG (note 26)	**39,434,609**	41,837,479	**-**	-
Changes in inventory of LPG	**(1,467,166)**	(895,571)	**-**	-
Depreciation and amortization (note 12.1)	**31,957,267**	33,256,458	**21,085,527**	22,149,773
Staff salaries and related costs (note 8)	**12,337,933**	13,015,735	**8,207,830**	9,141,111
Utilities cost	**4,522,989**	5,199,983	**3,827,767**	4,591,120
Repair and maintenance	**3,663,274**	3,165,084	**2,528,804**	1,874,911
Spare parts and tools	**1,384,751**	966,173	**741,369**	598,984
Hired services cost	**671,788**	2,986,974	**594,341**	1,658,933
Process, laboratory chemicals and other materials	**604,525**	699,964	**530,161**	584,965
Provision for inventory obsolescence (note 17.1)	**6,967**	235,294	**6,967**	235,294
Other costs (i)	**3,967,283**	1,975,123	**2,720,801**	1,331,751
	162,432,154	166,599,758	**105,591,501**	106,323,904

6 COST OF SALES (continued)

(i) For the year ended 31 December 2025, this includes the cost of shared IT services of the Group and Parent Company from the Holding Company amounting to 1,090,052 (31 December 2024: 914,924) and 810,860 (31 December 2024: 539,891), respectively [note 30(i)].

7 ADMINISTRATIVE AND GENERAL EXPENSES

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
Staff salaries and related costs (note 8)	**4,092,922**	3,004,112	**3,662,321**	2,344,868
Professional fees (ii)	**1,166,931**	407,937	**735,630**	342,938
Insurance	**1,143,467**	1,487,785	**778,856**	1,141,486
Repair and maintenance	**1,116,495**	577,433	**728,226**	458,814
Corporate social responsibility	**827,165**	494,093	**610,546**	430,973
Royalty to Holding Company	**576,750**	115,035	**576,750**	115,035
Advertisement and public relations	**486,610**	122,958	**369,859**	113,563
Travelling expenses	**377,597**	334,188	**285,501**	233,097
Depreciation and amortisation (note 12.1)	**253,930**	160,619	**183,800**	87,850
Office supplies	**223,555**	426,297	**97,443**	189,853
Short-term lease car rentals (note 14.3)	**142,632**	146,302	**104,015**	102,141
Communications	**13,016**	98,463	**9,412**	69,544
Other expenses (i)	**1,517,392**	681,113	**1,292,264**	523,402
	11,938,462	8,056,335	**9,434,623**	6,153,564

(i) For the year ended 31 December 2025, this includes the cost of shared IT services of the Group and Parent Company from the Holding Company amounting to 240,097 (31 December 2024: 124,059) and 140,105 (31 December 2024: 94,943) respectively [note 30(i)].

(ii) (ii) This includes total remuneration for the Group's auditors for year ended 31 December 2025 amounted to 60,900, including RO 54,200 for audit services and 6,700 for non-audit services (31 December 2024: 241,646, consisting of 114,000 for audit services and 127,646 for non-audit services.).

8 STAFF SALARIES AND RELATED COSTS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
Wages and salaries	**14,022,370**	12,937,563	**10,026,555**	9,413,777
Employees' end of service benefits (note 25)	**248,181**	190,787	**238,644**	182,421
Social insurance provisions under the Social Protection Fund	**916,997**	870,274	**645,169**	589,775
Other benefits	**1,243,307**	2,021,223	**959,783**	1,300,006
	16,430,855	16,019,847	**11,870,151**	11,485,979

The staff salaries and related costs are allocated to cost of sales and administrative and general expenses as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
Cost of sales (note 6)	**12,337,933**	13,015,735	**8,207,830**	9,141,111
Administrative and general expenses (note 7)	**4,092,922**	3,004,112	**3,662,321**	2,344,868
	16,430,855	16,019,847	**11,870,151**	11,485,979

9 OTHER INCOME

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Dividend income from subsidiary	**-**	-	**8,507,288**	-
Insurance claim recovered	**471,948**	-	**471,948**	-
Scrap sales	**247,962**	-	**247,962**	-
Shared services income from subsidiary	**-**	-	**201,539**	192,190
Miscellaneous income	**550,963**	1,006,262	**546,869**	1,006,262
	1,270,873	1,006,262	**9,975,606**	1,198,452

10 FINANCE INCOME AND FINANCE COSTS

(i) Finance income

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Interest income on bank deposits	**6,778,951**	3,822,139	**4,367,129**	2,183,252
Discounting of accrual for rich gas (note 26)	**7,609,400**	-	**-**	-
Fair value gain on derivative at FVTPL	**506,753**	-	**-**	-
Foreign exchange gain	**177,697**	692,374	**175,337**	351,704
	15,072,801	4,514,513	**4,542,466**	2,534,956

(ii) Finance costs

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Interest on term loan	**18,918,151**	32,326,570	**9,541,837**	15,601,707
Reclassification from cash flow hedge	**-**	(13,199,084)	**-**	(6,197,245)
Interest on lease liabilities (note 14.2)	**859,903**	858,343	**521,323**	518,467
Transferred from OCI on termination of hedge (note 29)	**-**	(3,690,032)	**-**	(3,690,032)
Loss on derecognition of financial liability (note 23)	**-**	4,098,311	**-**	1,404,852
Cashflow hedge reclassified from OCI due to discontinuation	**-**	(5,027,854)	**-**	-
Deferred finance cost (note 23)	**401,687**	1,010,123	**127,292**	666,965
Cashflow hedge – ineffective portion of change in fair value	**-**	(1,554,770)	**-**	-
Discounting of accrual for rich gas	**-**	4,831,038	**-**	-
Foreign exchange loss	**80,429**	321,665	**-**	205,237
	20,260,170	19,974,310	**10,190,452**	8,509,951

11 TAXATION

The Group entities are registered in the Salalah Free Zone ("SFZ"). In accordance with the provisions of Royal Decree Nos. 56/2002 and 62/2006, the entities located in SFZ are exempt from corporate income taxes under the Corporate Income Tax Law for a period of 30 years from the date of commencement of activities.

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting ("BEPS") Pillar Two project.

Under Pillar Two, multinational enterprises (MNEs) whose group annual revenue exceeds EUR 750 million (in two of the last four years) are liable to pay corporate income tax at minimum effective tax rate of 15% in each jurisdiction they operate. The enacted law includes the implementation of a Domestic Minimum Top-up Tax (DMTT) and Income Inclusion Rule (IIR). These rules are effective for fiscal years beginning on or after 1 January 2025.

For the year ended 31 December 2025, the Group and Parent Company did not recognise any current tax expense related to Pillar Two income taxes, on the basis that the effective tax rate for the Holding Company in Oman jurisdiction exceeds the minimum threshold of 15%.

Based on the assessment performed to date, the Group and Parent Company does not expect the application of Pillar Two to result in a material top-up tax liability.

12 PROPERTY, PLANT AND EQUIPMENT

Consolidated	*Building and civil facilities*	*Furniture and fixture*	*Plant, machineries and equipment*	*Vehicles*	*Capital work-in-progress*	*Capital spares*	*Total*
	£	£	£	£	£	£	£
Cost							
Balance at 1 January 2025	**73,861,580**	**959,991**	**813,373,116**	**1,123,862**	**12,895,358**	**1,935,676**	**904,149,583**
Additions	**-**	**-**	**-**	**-**	**10,569,637**	**-**	**10,569,637**
Transfers	**296,358**	**15,631**	**6,789,477**	**15,000**	**(7,141,079)**	**24,613**	**-**
Transfer to intangible assets	**-**	**-**	**-**	**-**	**(261,732)**	**-**	**(261,732)**
Adjustment	**-**	**-**	**(13,183)**	**-**	**(19)**	**-**	**(13,202)**
Balance at 31 December 2025	**74,157,938**	**975,622**	**820,149,410**	**1,138,862**	**16,062,165**	**1,960,289**	**914,444,286**
Balance at 1 January 2024	50,656,394	789,456	788,618,230	1,123,862	28,676,451	1,935,676	871,800,069
Additions *	23,025,856	-	-	-	9,429,358	-	32,455,214
Transfers	179,330	154,134	22,452,486	-	(22,785,950)	-	-
Transfer to intangible assets	-	-	-	-	(105,700)	-	(105,700)
Balance at 31 December 2024	73,861,580	943,590	811,070,716	1,123,862	15,214,159	1,935,676	904,149,583
Accumulated depreciation							
Balance at 1 January 2025	**20,118,592**	**731,577**	**302,467,849**	**766,737**	**-**	**484,858**	**324,569,613**
Depreciation	**2,668,232**	**35,039**	**28,867,834**	**57,897**	**-**	**161,990**	**31,790,992**
Adjustment	**-**	**(320)**	**(11,536)**	**-**	**-**	**-**	**(11,856)**
Balance at 31 December 2025	**22,786,824**	**766,296**	**331,324,147**	**824,634**	**-**	**646,848**	**356,348,749**
Balance at 1 January 2024	17,115,754	679,098	272,720,615	707,655	-	298,216	291,521,338
Depreciation	3,002,838	52,479	29,747,234	59,082	-	186,642	33,048,275
Balance at 31 December 2024	20,118,592	731,577	302,467,849	766,737	-	484,858	324,569,613
Carrying amount							
At 31 December 2025	**51,371,114**	**209,326**	**488,825,263**	**314,228**	**16,062,165**	**1,313,441**	**558,095,537**
At 31 December 2024	53,742,988	212,013	508,602,867	357,125	15,214,159	1,450,818	579,579,970

* In 2024, the Group made additions to its Property Plant and Equipment (PPE), which included pipe rack assets amounting to £ 23 million. Initially, this pipe rack was constructed on behalf of the Ministry of Transportation and was recognized as a receivable. However, following discussions with the Ministry of Transportation, it was determined that the Ministry of Transportation has no obligation to repay OQ LPG for the construction costs. As the pipe rack is now being utilized by OQ LPG (£ 20.2 million) and OQ BI (£ 2.8 million), it has been reclassified as a part of the Group's PPE.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

The asset is depreciated over the remaining useful life of the plant. Furthermore, there are no significant restoration obligations associated with this asset.

Parent Company	*Building and civil facilities*	*Furniture and fixture*	*Plant, machineries and equipment*	*Vehicles*	*Capital work-in-progress*	*Capital spares*	*Total*
	£	£	£	£	£	£	£
Cost							
Balance at 1 January 2025	**34,150,700**	**789,653**	**544,962,588**	**561,862**	**6,688,122**	**1,935,676**	**589,088,601**
Additions	-	-	-	-	**7,210,168**	-	**7,210,168**
Transfer	**296,358**	**7,943**	**1,804,284**	**15,000**	**(2,148,198)**	**24,613**	
Transfer to intangible assets	-	-	-	-	**(261,732)**	-	**(261,732)**
Adjustment	-	-	**(13,183)**	-	**(19)**	-	**(13,202)**
Balance at 31 December 2025	**34,447,058**	**797,596**	**546,753,689**	**576,862**	**11,488,341**	**1,960,289**	**596,023,835**
Balance at 1 January 2024	31,102,534	635,519	522,510,102	561,862	25,515,713	1,935,676	582,261,406
Additions *	2,868,836	-	-	-	4,064,059	-	6,932,895
Transfer	179,330	154,134	22,452,486	-	(22,785,950)	-	-
Transfer to intangible assets	-	-	-	-	(105,700)	-	(105,700)
Balance at 31 December 2024	34,150,700	789,653	544,962,588	561,862	6,688,122	1,935,676	589,088,601
Accumulated depreciation							
Balance at 1 January 2025	**17,162,563**	**610,371**	**269,802,920**	**561,862**	**-**	**484,858**	**288,622,574**
Depreciation	**1,323,828**	**25,393**	**19,469,582**	**1,875**	**-**	**161,990**	**20,982,668**
Adjustment		**(320)**	**(11,536)**		**-**		**(11,856)**
Balance at 31 December 2025	**18,486,391**	**635,444**	**289,260,966**	**563,737**	**-**	**646,848**	**309,593,386**
Balance at 1 January 2024	15,542,288	571,579	249,654,103	561,862	-	298,216	266,628,048
Depreciation	1,620,275	38,792	20,148,817	-	-	186,642	21,994,526
Balance at 31 December 2024	17,162,563	610,371	269,802,920	561,862	-	484,858	288,622,574
Carrying amount							
At 31 December 2025	**15,960,667**	**162,152**	**257,492,723**	**13,125**	**11,488,341**	**1,313,441**	**286,430,449**
At 31 December 2024	16,988,137	179,282	275,159,668	-	6,688,122	1,450,818	300,466,027

* In 2024, the Parent Company made additions to its property, plant, and equipment (PPE), including pipe rack assets amounting to £ 2.8 million. The pipe rack was initially constructed by OQ LPG on behalf of the Ministry of Transportation and OQ LPG recognized as a receivable from Ministry. A portion of the funding for the construction was provided by OQ BI to OQ LPG, corresponding to the area utilized by OQ BI. However, following discussions with the Ministry of Transportation, it was confirmed that the Ministry of Transportation has no obligation to repay OQ LPG for the construction costs. Given that the pipe rack is proportionally utilized by OQ BI, the balance receivable from OQ LPG for that proportionate utilisation has been reclassified as part of the Parent Company's PPE. The asset will be depreciated over the remaining useful life of the plant, and there are no significant restoration obligations associated with it.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(a) None of the Group and Parent Company's assets are under legal and commercial mortgage for the new facilities (2024: None of the Group and Parent Company's assets are under legal and commercial mortgage for the new facilities) (note 23).

(b) At the year end, the Group and Parent Company capitalized £ 7.1 million and £ 2.2 million, respectively, from work-in-progress to property, plant, and equipment (2024: £ 22.8 million by the Parent Company). The remaining balances of £ 16.1 million and £ 11.5 million respectively for the Group and the Parent Company, relates to capital improvement projects currently in progress which will be capitalised once they are available for use.

(c) During the year, no borrowing costs were capitalised, as there were no qualifying assets in accordance with the requirements of IAS 23 (31 December 2024: Nil).

(d) Fully depreciated assets are in the amount of £ 34,362,214 and £ 34,265,562, respectively for the Group and the Parent Company, included in property, plant and equipment as at 31 December 2025 (31 December 2024: £ 32,617,286 and £ 32,520,634, respectively for the Group and the Parent Company).

(e) **Impairment assessment**

(i) As of 31 December 2025, the management has not determined any indicators of impairment of property, plant and equipment and therefore no impairment assessment is required for the reporting period as of 31 December 2025.

(ii) At 31 December 2024, the Group and Parent Company conducted an assessment according to IAS 36 for impairment triggers at the CGU level identified impairment trigger in OQ BI and OQ LPG due to the instability in commodities pricing.

For the purpose of impairment analysis, the Group and Parent Company used the discounted cashflow method, and the following key assumptions were used in the model:

Valuation technique
The Group and Parent Company had adopted the 'discounted cash flow' technique to calculate the value in use as the base case model to determine the recoverable amounts of its cash generating units (CGUs). The 'discounted cash flow' model considered the present value of net cash flows to be generated from the respective CGUs, considering the expected production rate, demand, maximum capacity of plants and shutdown period.

The Group and Parent Company constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Group and Parent Company. The Group and Parent Company will adjust the key assumptions used in value-in-use calculations and sensitivity to account for the changes in assumptions should a change be required.

Projection period and discount rate
Value in use cash flows had been discounted by applying a pre-tax discount rate of 9.6% (OQ BI) and 10.1% (OQ LPG) to the end of the useful life of the underlying assets. The future cash flows were based on 5-year business plan inputs with market prices and remaining useful life based on the same inputs and expected market price. These were compared, for analytical purposes, with the latest prices/margins/spreads derived from primary market advisors' forward projections.

Recoverable Amount
Management conducted its annual impairment testing for OQ BI and OQ LPG as of 31 December 2024. The testing determined that the recoverable amount of OQ BI is £ 318.4 million and OQ LPG is £ 305 million, exceeding their carrying values. Accordingly, the management concluded that no impairment is required for the reporting period as of 31 December 2024.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(e) **Impairment assessment (continued)**

Sensitivity analysis
For the Group and Parent Company entities subjected to impairment analysis the sensitivity analysis is as follows:

The Group's VIU will match its carrying amount of assets if:

- Discount rate is 10.39% for OQ BI and 12.39% for OQ LPG keeping all other variables stable.
- EBITDA decreased by 3.11% for OQ BI and 10% for OQ LPG keeping all other variables stable.

(f) **Assessment of useful lives of property, plant and equipment**

During the year, the Group and the Parent Company appointed a third-party consultant to review and assess the remaining useful lives of property, plant and equipment in accordance with IAS 16. As a result of this assessment, the estimated useful lives of certain items of property, plant and equipment were revised to reflect current usage patterns, updated operational conditions, and the expected future economic benefits derived from these assets.

This revision constitutes a change in accounting estimate in accordance with IAS 8, and has been applied prospectively from 1 July 2025.The revision was made following updated engineering assessments indicating improved asset performance and extended operational capacity due to enhanced maintenance practices as the Group has an extensive turnaround program with a major expenditure for all the plants after every 4 years, since the commercial operations started. These turnaround expenditure have increased the economic useful lives of these plants beyond their assessed useful lives.

The change in useful lives resulted in a reduction in depreciation expense for the year ended 31 December 2025 by £ 1.6 million and £ 1.1 million for the Group and the Parent Company respectively.

The affected assets primarily relates to plant and machinery components in the Methanol, Ammonia and LPG plants for which the useful lives have extended to a maximum of 40 years as against 25 years initially assessed.

Based on the current estimate of remaining useful lives and assuming consistent usage patterns, the change is expected to result in a reduction in depreciation expense by approximately £ 3.1 million and approximately £ 2.2 million for the Group and Parent Company respectively for the year ending 31 December 2026. Actual effects may differ due to changes in asset utilisation, future capital expenditure, and operational conditions.

12.1 Reconciliation of depreciation and amortisation charge

The depreciation and amortisation charges for the year were as follows:

	Consolidated		***Parent Company***	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Property, plant and equipment (note 12)	**31,790,992**	33,048,275	**20,982,668**	21,994,526
Intangible assets (note 13)	**79,306**	21,140	**71,465**	21,140
Right-of-use assets (note 14.1)	**340,899**	347,662	**215,194**	221,957
	32,211,197	33,417,077	**21,269,327**	22,237,623

12 PROPERTY, PLANT AND EQUIPMENT (continued)

12.1 Reconciliation of depreciation and amortisation charge (continued)

The depreciation and amortisation charge are allocated to cost of sales and administrative and general expenses as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Cost of sales (note 6)	**31,957,267**	33,256,458	**21,085,527**	22,149,773
Administrative and general expenses (note 7)	**253,930**	160,619	**183,800**	87,850
	32,211,197	33,417,077	**21,269,327**	22,237,623

13 INTANGIBLE ASSETS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Cost				
At beginning of the year	**2,363,597**	2,257,897	**2,033,835**	1,928,135
Transferred from CWIP	**261,732**	105,700	**261,732**	105,700
Adjustment	**7,841**	-	**-**	-
At end of the year	**2,633,170**	2,363,597	**2,295,567**	2,033,835
Accumulated amortisation				
At beginning of the year	**2,279,037**	2,257,897	**1,949,275**	1,928,135
Charge for the year (note 12.1)	**79,306**	21,140	**71,465**	21,140
At end of the year	**2,358,343**	2,279,037	**2,020,740**	1,949,275
Carrying amount at end of the year	**274,827**	84,560	**274,827**	84,560

Intangible assets primarily consist of license fees related to ERP and application software. These intangible assets are amortised over five years by the Group and Parent Company.

Fully amortised intangible assets are in the amount of £ 2,257,897 and £ 1,928,135, respectively for the Group and the Parent Company as at 31 December 2025 (31 December 2024: £ 2,257,897 and £ 1,928,135, respectively for the Group and the Parent Company).

14 LEASES

The Group and Parent Company have entered into following lease agreements:

(i) Land lease and sub-usufruct agreement with Salalah Free Zone Company (SFZO) for the construction of methanol and ammonia plants maturing on 2047;

(ii) Land lease and sub-usufruct agreement with Salalah Free Zone Company (SFZO) for construction of LPG plant maturing on 2051; and

(iii) Land lease agreement with Salalah Port Services Company SAOG for LPG storage maturing on 2051.

The lease term for all the leases runs for a term of 30 years with an option to extend. Interest is charged at an effective interest rate ranging between 6.5% to 6.75% per annum (2024: 6.5%).

The consolidated and separate statements of financial position and profit or loss shows the following amounts relating to lease of right-of-use assets and related lease liabilities:

14 LEASES (continued)

14.1 Right-of-use assets

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Cost				
Balance at beginning of the year	**10,571,456**	8,219,777	**6,414,671**	4,361,622
Reassessment*	**(162,326)**	2,351,679	**(162,326)**	2,053,049
Balance at end of the year	**10,409,130**	10,571,456	**6,252,345**	6,414,671
Accumulated depreciation				
Balance at beginning of the year	**2,124,784**	1,777,122	**1,309,638**	1,087,681
Charge for the year	**340,899**	347,662	**215,194**	221,957
Balance at end of the year	**2,465,683**	2,124,784	**1,524,832**	1,309,638
Carrying amount at end of the year	**7,943,447**	8,446,672	**4,727,513**	5,105,033

14.2 Lease liabilities

Movement in lease liabilities are as follows;

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Balance at beginning of the year	**14,020,766**	11,798,920	**8,504,610**	6,580,583
Reassessment*	**(162,326)**	2,351,679	**(162,326)**	2,053,049
Accretion of interest [note 10 (ii)]	**859,903**	858,343	**521,323**	518,467
Payments	**(988,497)**	(988,176)	**(647,488)**	(647,489)
Balance at end of the year	**13,729,846**	14,020,766	**8,216,119**	8,504,610

***** Reassessment pertains to the extension of lease term exercised in all the lease contracts.

The current and non-current classification of lease liabilities as of the reporting date is as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Lease liability – current	**168,191**	138,463	**137,112**	137,259
Lease liability - non-current	**13,561,655**	13,882,303	**8,079,007**	8,367,351
	13,729,846	14,020,766	**8,216,119**	8,504,610

14.3 Amounts recognised in consolidated and separate statement of profit or loss

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Depreciation of right-of-use assets	**340,899**	347,662	**215,194**	221,957
Interest on lease liabilities [(note 10 (ii))]	**859,903**	858,343	**521,323**	518,467
Short-term lease rentals* (note 7)	**142,632**	146,302	**104,015**	102,141
	1,343,434	1,352,307	**840,532**	842,565

14 LEASES (continued)

14.4 Amounts recognised in consolidated and separate statement of cash flows

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Total cash outflows for the leases				
- Interest portion	**858,417**	428,140	**519,043**	259,234
- Principal portion	**130,080**	560,036	**128,445**	388,255
	988,497	988,176	**647,488**	647,489

* Short-term lease rentals mainly comprise car rentals from third parties for a short-term period (less than 12 months). Payments associated with car rentals are recognised on a straight-line basis as an expense in profit or loss and included in 'administrative and general expenses' (note 7).

The Group and Parent Company have lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

15 INVESTMENT IN A SUBSIDIARY

	Parent Company	
	2025	*2024*
	£	£
Investment in a subsidiary – OQ LPG (SFZ) SPC	**500,000**	500,000

In 2024, OOFDC transferred its 100% shareholding in OQ LPG to OQ BI with effect from 17 July 2024, after which OQ LPG became the wholly owned subsidiary of the Parent Company. The transfer was executed at the carrying value of OQ LPG net assets as of 30 June 2024 and commercial registration was completed on 28 July 2024. The Parent Company completed its acquisition of the shares for consideration of £ 61,628,676 (equal to net assets value of OQ LPG) which was settled in the form of 1,540,716,900 shares issued to OQ SAOC at £ 40 baiza each. The share capital increase of OQBI was approved by the shareholders during an Extraordinary General Meeting (EGM) held on 9th October 2024.

The Company's acquisition of OQ LPG is considered to be a business combination under Common Control as both OQ LPG and the Parent Company are ultimately controlled by OQ SAOC.

In its separate financial statements, the Parent Company initially recognized the investment equal to the carrying amount of the investment in the separate financial statements of OOFDC prior to the transaction. The difference between the investment value and consideration transferred was recorded as negative common control reserve in the equity. At 31 December 2025, the entire amount of this common control reserve was transferred to the retained earnings.

For consolidated financial statements, no common control reserve was recorded as the consideration for the acquisition of OQLPG shares was equal to net assets value of OQ LPG at the acquisition date.

16 LONG TERM ADVANCE

These represent advance paid towards the connection assets by the subsidiary which is amortised over the life of the LPG plant.

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Long term advance	**1,252,572**	1,301,532	**-**	-
Less: current portion	**(48,960)**	(48,960)	**-**	-
Long term portion	**1,203,612**	1,252,572	**-**	-

17 INVENTORIES

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Finished products:				
Methanol	**1,978,129**	1,363,480	**1,978,129**	1,363,480
Ammonia	**704,377**	327,891	**704,377**	327,891
Butane	**1,461,996**	751,349	-	-
Propane	**1,694,886**	943,913	-	-
Condensate	**422,820**	416,837	-	-
LPG	**1,276**	1,713	-	-
	6,263,484	3,805,183	**2,682,506**	1,691,371
Store, supplies and consumables:				
Spare parts	**8,099,851**	5,937,624	**6,582,895**	5,511,881
Consumables	**1,417,652**	1,329,779	**1,315,516**	1,329,779
Chemicals and other materials	**31,597**	225,183	**31,597**	225,183
	15,812,584	11,297,769	**10,612,514**	8,758,214
Less: Allowance for slow moving inventories	**(119,047)**	(346,566)	**(119,047)**	(346,566)
	15,693,537	10,951,203	**10,493,467**	8,411,648

For the year ended 31 December 2025, inventories of £ 105,304,653 (31 December 2024: £ 106,765,106) and £ 66,619,464 (31 December 2024: £ 65,341,011) were recognised as an expense during the year and included in 'cost of sales' by the Group and Parent Company, respectively.

17.1 Movement in the allowance for slow moving inventories is as follows;

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
At beginning of the year	**346,566**	111,272	**346,566**	111,272
Provision made for the year	**6,967**	235,294	**6,967**	235,294
Written off during the year	**(234,486)**	-	**(234,486)**	-
At end of the year	**119,047**	346,566	**119,047**	346,566

18 TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Trade receivables (i)	**198,326**	203,469	-	-
Advances to vendors	**781,031**	494,200	**526,132**	457,290
Prepayment and other receivables (ii)	**1,173,786**	609,766	**860,311**	177,868
Input value added tax (net)	**663,518**	1,098,221	**174,592**	145,631
	2,816,661	2,405,656	**1,561,035**	780,789

(i) There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days. ECL on the on trade and other receivables is not material and accordingly no adjustment has been accounted by the Group and Parent Company during the year (31 December 2024: Nil).

(ii) This includes an amount of £ 471,948 towards insurance claim related to prior years during the commencement phase of the Ammonia plant.

19 TERM DEPOSITS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	﷼	﷼	﷼	﷼
At beginning of the year	**55,000**	84,185,279	**30,000**	36,201,752
Deposits	**188,459,392**	171,774,889	**126,939,392**	91,435,967
Withdrawals	**(69,264,431)**	(255,905,168)	**(38,504,392)**	(127,607,719)
At end of the year	**119,249,961**	55,000	**88,465,000**	30,000

Term deposits were placed by the Group and the Parent Company with financial institutions operating in the Sultanate of Oman and outside the Sultanate of Oman with residual maturities ranging from six months to one year, having an average effective annual interest rate of 4% - 4.5% (2024: 5.2% - 5.7%) per annum. Term deposits include a balance of ﷼ 30.8 million (2024: Nil) which was placed with a commercial bank located outside the Sultanate of Oman. All term deposits are denominated in US dollars.

Term deposits were not considered to be credit impaired as there is no significant increase in credit risk and also these banks are highly regulated by the central banks of the respective countries. The short-term deposits are entered into banks, which were rated A1 to Baa3, based on reputable credit rating agencies. Accordingly, the management of the Group and Parent Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group and Parent Company have assessed that there is no significant impairment loss and therefore not recognised.

None of the term deposits of the Group and Parent Company are pledged against any lending or to fulfil collateral requirements.

20 CASH AND CASH EQUIVALENTS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	﷼	﷼	﷼	﷼
Cash in hand	**25,285**	23,397	**23,081**	22,422
Bank balances*	**46,541,368**	167,290,394	**27,040,149**	112,494,299
	46,566,653	167,313,791	**27,063,230**	112,516,721

* This includes bank balances and call deposits of the Group and the Parent Company with a maturity of three months or less from the date of acquisition. These call deposits are placed with commercial banks located within the Sultanate of Oman and carry an effective annual interest rate in the range of 1.25% to 5.80% (2024: 1.25% to 5.80%) per annum.

The balances are held with banks and financial institutions, which are rated A1 to Ba1, based on reputable credit rating agencies. Further, balances with banks are not considered to be credit impaired as there is no significant increase in credit risk and also these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group and Parent Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 months ECL, which is not material and therefore not recognized in consolidated and separate financial statements.

21 SHARE CAPITAL

	Consolidated		Parent Company	
	2025	2024	**2025**	2024
	£	£	£	£
OQ BI - authorised and issued capital				
3,459,490,850 ordinary shares of 40 Baiza each (31 December 2024: 3,459,490,850 ordinary shares of 40 Baiza each)	**138,379,634**	138,379,634	**138,379,634**	138,379,634

Shareholders of the OQ BI who own 10% or more of OQ BI's shares, as at year end whether in their name, or through a nominee account, including the number of shares they hold are as follows;

	2025		2024	
	No. of shares	**%**	No. of shares	%
OQ SAOC	**1,764,340,333**	**51**	1,764,340,333	51

21.1 Common control transaction reserve

As disclosed in Note 15, on 17 July 2024, the Parent Company acquired OQ LPG in a transaction accounted for as a business combination under common control. In accordance with the Group and Parent Company's accounting policy for such transactions, the assets and liabilities of OQ LPG have been recognized at their existing carrying amounts, without revaluation to fair value. As a result, the difference between the consideration transferred and the carrying value of investment was recognized directly in the common control transaction reserve within equity. During the year Group and Parent Company transferred the entire amount of common control reserve to the retained earnings.

22 LEGAL RESERVE

As per Commercial Companies Law of 2019 of the Sultanate of Oman, as amended 10% of the profit for the year is required to be transferred to non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of the Parent Company's issued share capital. The reserve is not available for distribution. A transfer to legal reserve has been made by the Parent Company amounting to £ 4,397,079 (31 December 2024: £ 3,566,694). This includes an additional amount of RO 161,518 transferred during the year relating to prior year allocations.

23 TERM LOANS

	Consolidated		Parent Company	
	2025	2024	**2025**	2024
	£	£	£	£
Syndicated facilities	**314,697,332**	343,117,014	**159,029,200**	165,796,400
Less: unamortised transaction cost	**(2,163,888)**	(2,565,575)	**(1,226,148)**	(1,353,440)
Total term loans	**312,533,444**	340,551,439	**157,803,052**	164,442,960

The non-current and current classification of term loans as of the reporting date are as follows:

	Consolidated		Parent Company	
	2025	2024	**2025**	2024
	£	£	£	£
Non-current	**282,109,074**	312,131,755	**151,035,852**	157,675,760
Current	**30,424,370**	28,419,684	**6,767,200**	6,767,200
	312,533,444	340,551,439	**157,803,052**	164,442,960

23 TERM LOANS (continued)

Movement in the principal amount during the year is as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
At beginning of the year	**343,117,014**	377,563,734	**165,796,400**	182,499,371
Receipts during the year	**-**	355,662,500	**-**	169,180,000
Repayments during the year	**(28,419,682)**	(390,109,220)	**(6,767,200)**	(185,882,971)
At end of the year	**314,697,332**	343,117,014	**159,029,200**	165,796,400

Movement in unamortised transaction cost during the year is as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
At beginning of the year	**2,565,575**	5,108,433	**1,353,440**	2,071,817
Receipts during the year	**-**	2,565,576	**-**	1,353,440
Charged during the year [(note 10(ii)]	**(401,687)**	(1,010,123)	**(127,292)**	(666,965)
Loss on extinguishment of financial Liability [(note 10(ii)]	**-**	(4,098,311)	**-**	(1,404,852)
At end of the year	**2,163,888**	2,565,575	**1,226,148**	1,353,440

The maturity analysis of the loans is disclosed in note 34 (ii).

The Group and the Parent Company have syndicated long-term loan facilities from a consortium of financial institutions, with aggregate maximum amounts of 355.7 million and 169.2 million, respectively, as of the reporting date (2024: 355.7 million and 169.1 million).

23.1 Refinancing of Syndicated Facilities

As part of the Initial Public Offering (IPO) requirements, the Group and the Parent Company successfully executed new syndicated loans in 2024.

Upon receiving the disbursement of the new syndicated term facilities in 2024, the Group and the Parent Company fully settled the existing loans in 2024 without incurring any additional penalties. As a result, the existing loan was derecognized, and the unamortised transaction cost of repaid loan had been charged to the statement of profit or loss.

23.1.1 Previous facility arrangements

(i) Syndicate facility – (OQ BI)

- OQ BI had obtained a Syndicated long-term loan facility ("syndicate facility") in the aggregate amount of 266.82 million under a facility agreement dated 13 July 2017.
- The facility had to repay in eighteen semi-annual instalments, in amounts ranging from 2.89 million to 10.59 million. Repayment commenced from December 2020.
- This facility born interest at SOFR rates plus margins ranging from 2.80% to 3.35% depending upon outstanding facilities and the status of the project in relation to completion.
- This syndicated loan facility had secured by comprehensive legal and commercial mortgages on all the assets of OQ BI. The facility contains certain general and project undertakings pertaining to, amongst other things, compliance with laws, negative pledges, disposals, loans or credit, dividends, share redemption and subordinated shareholder loans, financial indebtedness, mergers, change of business and acquisitions.
- In 2024 OQ BI settled this loan from the proceeds received from new Islamic financing arrangement (note 23.1).

23 TERM LOANS (continued)

23.1 Refinancing of Syndicated Facilities (continued)

23.1.1 Previous facility arrangements (continued)

(ii) Syndicated facility – (OQ LPG)

- OQ LPG had also obtained Syndicated long-term loan facilities ("syndicate facility") from the consortium of the financial institutions in the aggregate maximum amount of ﷼ 246.41 million under a facilities agreement dated 17 May 2017 ("the Facilities Agreement").
- The aggregate amount of the term loan facility and standby term loan facility were repayable in 24 semi-annual instalments. Repayment under the term loan facility commenced from 31 December 2020.
- The syndicated facility born interest at SOFR rates plus margins ranging from 3.15% to 3.45%.
- The syndicated loan facility had secured by comprehensive legal and commercial mortgages on all the assets of the OQ LPG. The NGSA waterfall mechanism ensures the priority rights of lenders on revenue. The Government had provided the guarantee to the lenders in case of default by reporting entity.
- The syndicated facility agreement contains certain general and project covenants pertaining to, amongst other things, project finance ratios, liquidation, and merger, entering into material new agreements, negative pledges, change of business, loans and guarantees.
- OQ LPG settled the existing loan form the proceed received by new term facility arrangement. (note 23.1).

23.1.2 New facility arrangements

(i) Wakala facility – (OQ BI)

- OQ BI has obtained a Syndicated Wakala facility ("Islamic facility") in the aggregate amount of ﷼ 169.2 million under a facility agreement dated 24 December 2024. The entire amount of the facility was disbursed on 30 December 2024.
- The facility is repayable in twenty-four semi-annual instalments, in amounts ranging from ﷼ 3.4 million to ﷼ 6.8 million till December 2035, with last bullet payment of ﷼ 76.1 million due on 30 June 2036. Repayment commenced from 30 December 2024. This facility bears profit rate at Term SOFR plus fixed margin of 1.4% per annum.
- This Islamic facility is unsecured and does not carry any financial covenants. However, facility contains general undertaking pertaining to compliance with law, negative pledge, certain authorization, disposal of assets, merger and sanctions. Hence, there are no covenants attached to these loans outstanding at year end other than general undertakings mentioned.

  The purpose of this Islamic facility was to refinance the Syndicate facility and general corporate purposes of OQ BI. The funds received from this facility were used to settle the original Syndicate facility in the amount of ﷼ 169.2 million in full on 30 December 2024.

(ii) Syndicated facility – (OQ LPG)

- OQ LPG has obtained a Syndicated Term loan facility ("syndicate facility") in the aggregate amount of ﷼ 186.5 million under a facility agreement dated 26 December 2024. The entire amount of the facility was disbursed on 30 December 2024.

  The facility is repayable in sixteen semi-annual instalments, in amounts ranging from ﷼ 9.2 million to ﷼ 14.3 million, with last payment due on 30 June 2032. Repayment commenced from 30 December 2024. This facility bears interest rate at Term SOFR plus fixed margin of 1.15% per annum.
- This syndicate facility is unsecured and does not carry any financial covenants. However, facility contains general undertaking pertaining to compliance with law, negative pledge, certain authorization, disposal of assets, merger and sanctions. Hence, there are no covenants attached to these loans outstanding at year end other than general undertakings mentioned.

23 TERM LOANS (continued)

23.1 Refinancing of Syndicated Facilities (continued)

23.1.2 New facility arrangements (continued)

(ii) Syndicated facility – (OQ LPG) (continued)

- The purpose of this facility was to re-financing in full of the OQ LPG's project financing and general corporate purposes. The funds received from this facility were used to settle the original Syndicate facility in the amount of £ 185.8 million in full on 30 December 2024.

24 SUBORDINATED LOAN FROM SHAREHOLDER

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Loan				
At the beginning of the year	-	55,631,081	-	-
Novated from OOFDC (b)	-	-	-	38,240,958
Settled by equity shares (c)	-	(38,240,958)	-	(38,240,958)
Waiver of loan (a)	-	(17,390,123)	-	-
At the end of the year	-	-	-	-
Accrued interest				
At the beginning of the year	-	11,737	-	-
Waiver of interest on loan	-	(11,737)	-	-
At the end of the year	-	-	-	-

OQ LPG (SFZ) SPC received a shareholder loan in prior years from its previous legal shareholder which was Oman Oil Facilities and Development Company LLC (OOFDC).

Under the Syndicated Facility Agreement, the shareholders was required to fund 22.5% of the project's total costs. This subordinated loan had to repay to the shareholders through NGSA agreement waterfall arrangement noted under clause 15 of the NGSA stating the mechanism of revenue sharing. As stated in note 2 (f) OQ LPG had entered into this subordinated loan agreement (the "Subordination Agreement') with the OOFDC (the "Subordinated Lenders").

The subordinated loan (the "Subordinated Loan") was unsecured and the subordination agreement states that:

- Interest shall be payable only under the conditions of the Subordination Agreement through the distribution account post financial completion date of the project.
- The Subordinated Lenders may, at any time, require that part or all of the loan are converted into the share capital of OQ LPG, at par, by serving a written notice.

OQ LPG should repay the subordinated loan on demand from funds validly standing to the credit of distribution account (as defined in the Facility Agreement).

During the year 2024, the shareholder of OQ LPG agreed to waive the interest previously charged and paid on the subordinated loan. As part of this agreement, the interest charged up 1 January 2024, amounting to £ 17.4 million, which was reversed and recognized in equity. Further, the shareholder agreed to reduce the principal value against the cumulative interest that the company already paid.

In October 2024, OQ LPG and OQ BI novated back-to-back shareholder loans (SHLs) as part of the Group's financing restructuring. The SHLs between OQ SAOC and OOFDC, including the back-to-back for the same between OQ LPG and OOFDC, were novated to OQ BI from OOFDC upon transfer of OQLPG's shareholding from OOFDC to OQBI.

The Boards of OQ SAOC and OQ BI approved the novation on 13 October 2024, with all legal formalities duly completed. OQ LPG fully repaid its shareholder loan to OQ BI before its IPO, transferring RO 38.2 million (US$ 99 million) to OQ BI on 2 December 2024.

24 SUBORDINATED LOAN FROM SHAREHOLDER (continued)

In 2024, OQ BI issued ordinary shares to OQ SAOC in exchange for the novated OQ LPG loan, amounting to RO 38 million at par value. This issuance was made as consideration for the share conversion option exercised under the shareholder loan agreement. The share capital increase was approved during an Extraordinary General Meeting (EGM) on 28 October 2024.

25 EMPLOYEES' END OF SERVICE BENEFITS

Movement in employees' end of service benefits during the year is as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
At beginning of the year	**1,444,430**	1,851,241	**1,380,608**	1,436,399
Current service cost / interest charges (note 8)	**248,181**	190,787	**238,644**	182,421
Excess accruals reversed	**-**	(535,109)	**-**	(173,141)
Net actuarial loss	**65,014**	153,424	**62,857**	150,842
Payments during the year	**(88,987)**	(215,913)	**(88,987)**	(215,913)
At end of the year	**1,668,638**	1,444,430	**1,593,122**	1,380,608

As at the reporting date the amount of obligation for expatriate employees is computed by actuarial valuations using the projected unit credit method as per IAS 19. Following are the key assumptions used in the actuarial valuation for end of service benefits of expatriate employees:

Discount rate	**4.8%**	5.3%	**4.8%**	5.3%
Future salary increases	**3%**	3%	**3%**	3%
Retirement age in years	**60**	60	**60**	60

Amount recognised in consolidated and separate statement of profit or loss

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Service costs	**172,348**	122,880	**166,162**	116,100
Interest expense	**75,833**	67,907	**72,482**	66,321
Total charged to profit or loss (note 8)	**248,181**	190,787	**238,644**	182,421

Amount recognised in consolidated and separate statement of other comprehensive income

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Actuarial loss	**65,014**	153,424	**62,857**	150,842

25 EMPLOYEES' END OF SERVICE BENEFITS (continued)

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

		Consolidated		*Parent Company*	
		2025	*2024*	***2025***	*2024*
		£	£	£	£
Assumptions	***Change***				
Discount rate	increase by 0.5%	**(35,463)**	(32,091)	**(34,139)**	(30,811)
	decrease by 0.5%	**36,869**	33,419	**35,503**	32,095
Projected salary	increase by 0.5%	**37,321**	33,996	**35,938**	32,650
	decrease by 0.5%	**(36,230)**	(32,933)	**(34,877)**	(31,619)

26 ACCRUED LIABILITY FOR RICH GAS

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
As at the beginning of the year	**101,388,946**	54,720,429	**-**	-
Charge for the year (note 6)	**39,434,609**	41,837,479	**-**	-
Discounting for accruals [(note 10 (ii) and note 10 (i)]	**(7,609,400)**	4,831,038	**-**	-
Less: amount paid	**(34,029,151)**	-	**-**	-
As at the end of the year	**99,185,004**	101,388,946	**-**	-
Current portion	**24,937,155**	24,691,127	**-**	-
Non-current portion	**74,247,849**	76,697,819	**-**	-
	99,185,004	101,388,946	**-**	-

(i) This represents accrued expenses in relation to the rich gas supplied for LPG plant recognised during the year. The amount of accrued liabilities was recognised based on the future projections of LPG. The amount of provision was estimated based on projects, actual revenue, and actual production during the year.

(ii) The amount of provision estimated was recognised as cost of sales or in the carrying value of inventories. The amount of provision was discounted to the present value using a discount rate of 6.5% (2024: 6.5%). The entire accrued liability is measured as amortised cost each year. The first payment was made in 2025.

27 TRADE AND OTHER PAYABLES

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Trade payable	**878,047**	2,477,392	**749,531**	1,885,461
Employees' benefits payable	**1,890,990**	1,297,440	**1,694,186**	938,738
Accruals *	**13,323,730**	16,777,028	**9,294,176**	10,141,507
Other payable	**430,090**	421,731	**256,620**	205,648
	16,522,857	20,973,591	**11,994,513**	13,171,354

* Accruals at the end of the reporting period includes capital expenditure / Engineering, Procurement and Construction (EPC) cost amounting to £ 4.8 million and £ 2.8 million (31 December 2024: £ 6.3 million and £ 2 million) for the Group and the Parent Company, respectively.

28 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on following profit for the year attributable to shareholders of the Group and Parent Company and weighted- average number of ordinary shares outstanding as follows:

	Consolidated		***Parent Company***	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Profit attributable to ordinary shareholders for the year	**47,684,872**	40,411,548	**42,355,611**	36,448,788
	2025 Number of shares	*2024 Number of shares*	***2025 Number of shares***	*2024 Number of shares*
Weighted average number of shares for basic EPS	**3,459,490,850**	2,673,717,740	**3,459,490,850**	1,407,375,082
Basis earnings per share	**0.014**	0.015	**0.012**	0.026

* In 2024, the Company undertook a share split at a ratio of 25:1, which increased the number of shares in issue without a corresponding change in total equity. The weighted average number of shares used in the computation of basic and diluted earnings per share has been adjusted retrospectively for all periods presented to reflect the effects of the share split.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on following diluted profit for the year attributable to shareholders of the Group and Parent Company and weighted average number of ordinary shares outstanding as follows:

	Consolidated		***Parent Company***	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Profit attributable to ordinary shareholders for the year *(diluted)*	**47,684,872**	40,411,548	**42,355,611**	36,448,788
	2025 Number of shares 2025	*2024 Number of shares 2024*	***2025 Number of shares 2025***	*2024 Number of shares 2024*
Number of ordinary shares (diluted)	**3,459,490,850**	2,673,717,740	**3,459,490,850**	1,407,375,082
Diluted earnings per share	**0.014**	0.015	**0.012**	0.026

29 DERIVATIVE FINANCIAL INSTRUMENTS

In 2020, Group and Parent Company entered into a hedge agreement with OQ SAOC ("the Holding Company") to receive interest at LIBOR (transitioned to SOFR in 2023) from the Holding Company. The Holding Company then entered into interest rate swap (IRS) agreements with commercial banks, on behalf of the OQ Group, to receive interest at LIBOR (transitioned to SOFR in 2023) from the banks.

The Group manages its cashflow interest rate risk by using floating-to-fixed IRS. The terms of the IRS agreements have been negotiated to match the terms of the loan commitments.

29 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

On 15 December 2024, the OQ SAOC terminated the interest swap agreement with the OQ BI, at nil purchase consideration, after reassessing its risk management strategy following the refinancing of the OQ BI's borrowings. Both parties were relieved of any obligation and liabilities associated with the agreement. The loss on the termination of the interest swap agreement has been recognized within equity as an adjustment to the retained earnings.

On 15 December 2024, OQ LPG discontinued hedge accounting due to the derecognition of the hedged loan. Until its derecognition, the hedge relationship was designated as effective. On the same date, the original interest rate swap (IRS) was modified, resulting in an increase in the notional value of the instrument. The fair value changes arising from this increase in notional value have been recognized in profit or loss under finance costs. During the year 2025, entire amount related to derivative asset has been recovered.

The below table summarize the nominal amounts of the derivatives:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Arrangement with OQ SAOC	-	177,320,614	-	-
	-	177,320,614	-	-

The fixed interest rate of these interest rates swap is 0.5091%. (2024 - 0.5091%).

The below table summarize the profile tenor of the nominal amounts of derivatives.

	Less than 6 months	***6 to 12 months***	***Total***
	£	£	£
Group			
31 December 2025	-	-	-
31 December 2024	10,594,071	166,726,543	177,320,614

Parent Company does not have any hedging instruments at the reporting date.

The below table summarize the profile tenor of the carrying amount of derivatives.

	Less than 6 months	***6 to 12 months***	***Total***
	£	£	£
Group			
31 December 2025	-	-	-
31 December 2024	3,378,551	3,204,074	6,582,625

Parent Company does not have any hedging instruments at the reporting date.

Carrying amounts of derivative instruments recognized in the consolidated and separate statement of financial position:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Interest rate swaps	-	6,582,625	-	-
Derivative - current assets	-	6,582,625	-	-

29 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Movements in cashflow hedge reserve during the year is as follows:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Balance at 1 January	-	17,567,549	-	8,272,099
Reclassified to statement of profit or loss on termination of hedge [(note 10 (ii)]	-	(3,690,032)	-	(3,690,032)
Cumulative changes in fair value	-	4,349,421	-	1,615,178
Reclassified to profit or loss *	-	(13,199,084)	-	(6,197,245)
Discontinuation of hedge accounting	-	(5,027,854)	-	-
Balance at 31 December	-	-	-	-

* The reclassification relates to hedge accounting previously applied, with the hedged future cash flows settled during the year 2024.

The derivative is entered with OQ SAOC, which is rated BBB- (investment grade) by Fitch rating.

30 RELATED PARTY TRANSACTIONS AND BALANCES

The Group and Parent Company enter into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. The Group and Parent Company maintain balances with these related parties which arise in the normal course of business from the commercial transactions at mutually agreed terms. Prices and terms of these transactions are on mutually agreed terms and conditions which are approved by the Group and Parent Company's management.

The Government of Sultanate of Oman (the Government) indirectly owns the Group and Parent Company via Oman Investment Authority (OIA) ("the Ultimate Parent").

In accordance with IAS 24 "Related Party Disclosures", the Group and Parent Company have chosen to avail exemption under IAS 24 available to government entities, including the Oman Investment Authority (OIA) and other entities controlled, jointly controlled, or significantly influenced by the Government of Oman. All individually significant transactions and balances are disclosed in the notes above. There are no other transactions that are individually insignificant but collectively significant.

For the purposes of impairment assessment, amount due from related parties are not considered to be credit impaired as there is no significant increase in credit risk as the counterparty of these receivables are from OIA affiliated companies which is considered as equivalent of the Government of Sultanate of Oman and having a credit rating of Ba1 stable.

Accordingly, the management of the Group and Parent Company estimates the loss allowance on balances with related parties at the end of the reporting period at an amount equal to 12-month ECL, which is not material and therefore not recognized in these financial statements.

Balances and transactions between consolidated entities, which are also related parties, have been eliminated on consolidated are not disclosed in the consolidated financial statements note. The aggregate value of transactions and balances with other related parties for the year ended were as follows:

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(i) Transactions with related parties

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	﷼	﷼	﷼	﷼
Sales of goods				
Entities under common control				
Sales to OQT - Export	**216,586,014**	226,082,371	**153,054,115**	153,702,799
Purchases of goods and services				
Entities under common control				
• Natural gas consumption-methanol from IGC	**65,347,934**	64,157,062	**65,347,934**	64,157,062
• Notional cost of rich gas from IGC	**39,434,609**	41,837,479	**-**	-
• IT centralized services from Holding Company	**1,330,149**	1,038,983	**950,965**	634,834
• Royalty fee (trademark) from Holding Company	**576,750**	115,035	**576,750**	115,035
• Shared service income from subsidiary	**-**	-	**201,539**	192,190
• Dividend income from subsidiary	**-**	-	**8,507,288**	-
Financing related				
Entities under common control				
• Waiver of loan and interest (OOFDC)	**-**	17,401,860	**-**	-
Holding Company	**-**	**-**	**-**	38,240,958
• Cash flow hedge settlement received	**7,399,895**	13,199,084	**-**	3,396,732
Issue of share - OQ LPG	**-**	99,869,634	**-**	-
Discounting of accrual for rich gas – IGC	**(7,609,400)**	4,831,038	**-**	-
Investing related				
• Transfer of pipe rack assets from related party	**-**	23,025,856	**-**	2,868,836
• Dividend received from subsidiary	**-**	**-**	**7,341,179**	-

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(ii) Balances due from related parties (current)

		Consolidated		*Parent Company*	
Party name	*Nature of the transactions*	***2025***	*2024*	***2025***	*2024*
Entities under common control					
• OQ Trading LLC	Sales - Export	**21,647,596**	34,254,405	**17,244,028**	25,787,906
• OQ LPG	Dividend and Expenses	-	-	**2,410,628**	2,757,568
• IGC	Loss of revenue	-	5,323,616	-	-
• Ministry of Finance	Sale – Subsidy for local sales	**1,012,475**	1,205,822	-	-
• OQ Gas Networks SAOG	Current account	**10,102**	10,102	**9,545**	9,545
• OQ Refineries LLC	Services	**8,661**	41,172	**8,661**	41,172
• Others	Sale of products & services	**1,125**	2,349	**1,125**	2,349
Holding Company (OQ SAOC)	Current account	**11,678**	38	**11,678**	37
		22,691,637	40,837,504	**19,685,665**	28,598,577
Provision for impairment [ii(a)]		-	(5,323,616)	-	-
		22,691,637	35,513,888	**19,685,665**	28,598,577

(a) In prior years, the Group and Parent Company recorded a receivable from its related party supplier, IGC. In 2024, collection of claims was not certain, and, accordingly, the receivable balance had been fully provided for. This amount has been written off in 2025 as non-recoverable.

(b) The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payable. For the year ended 31 December 2025, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2024: Nil).

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(iii) Balances due to related parties (current)

		Consolidated		*Parent Company*	
Party name	*Nature of the transactions*	***2025***	*2024*	***2025***	*2024*
Holding Company (OQ SAOC)	Current account	**741,871**	218,280	**741,871**	218,280
Entities under common control					
• IGC	Purchase of Natural gas	**4,763,357**	5,771,164	**4,763,357**	5,771,164
• OQ Refineries LLC	Current account	**1,639**	10,615	**1,639**	8,781
• OQ Refineries and Petroleum LLC	Current account	**142,594**	-	**37,434**	-
• OQ LPG	Subsidiary	-	-	**119,468**	1,177,799
• OQ Exploration & Production LLC	Current account	-	19,897	-	19,897
• OQ Gas Networks SAOG	Expenditure funded	-	135,744	-	135,744
• Takatuf Oman LLC	Current account	**29,734**	65,691	**29,734**	65,691
• Oman Oil Marketing Company SAOG	Current account	**1,284**	-	**1,284**	-
		5,680,479	6,221,391	**5,694,787**	7,397,356

Balances due to related parties are unsecured, interest-free, and repayable on demand.

(iv) Accrued liability for rich gas (payable to related party)

		Consolidated		*Parent Company*	
Party name	*Nature of the transactions*	***2025***	*2024*	***2025***	*2024*
Entities under common control					
• IGC (note 26)	Accrual for rich gas	**99,185,004**	101,388,946	-	-
		99,185,004	101,388,946	-	-

(v) Compensation of key management personnel

The Board of OQ BI, collectively represents OQ BI and OQ LPG, have established their own key management personnel, who are responsible for making all significant decisions for the Group and Parent Company. In accordance with IAS 24 – Related Party Disclosures, the Group and Parent Company considers key management personnel including all members of the Board and other individuals who are authorized by the Board to plan, direct, and control the operating activities of the Group and Parent Company. Key management personnel compensation comprises the following:

30 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(v) Compensation of key management personnel (continued)

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Salaries and other benefits	**659,340**	419,516	**659,340**	419,516
Post employment benefits	**27,531**	23,777	**27,531**	23,777
Directors' sitting fees	**50,100**	39,100	**50,100**	39,100
Directors' remuneration	**175,000**	93,750	**175,000**	93,750

31 OPERATING SEGMENT INFORMATION

The Group and Parent Company has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different manufacturing plants, machineries and marketing strategies.

Additionally, the Parent Company has a single reportable segment, disclosed below as the "Methanol Integrated Plant." The following summary describes the operations of each reportable segment.

Reportable segments	***Operations***
Methanol Integrated Plant	Producing and selling methanol and ammonia products
LPG Plant	Producing and selling Propane, Butane, Condensate and LPG (cooking gas)

The Group and Parent Company's operating segments are established on the basis of those components of the reporting entity that are evaluated regularly by the Board of Directors of OQBI Chief Operating Decision Maker (CODM)) for the Group and Parent Company, in deciding how to allocate resources and in assessing performance. None of the other operating segments have been aggregated to form the above reportable operating segment.

There are no inter-segment transactions except for the shared services costs involving Group and Parent Company. These transactions, along with any unrealized profits and losses, are eliminated in the consolidated financial statements unless the unrealized losses indicate an impairment of the transferred asset. Sales to external customers and commonly controlled entities by region are based on the location of the consolidated entities that made the sale.

31 OPERATING SEGMENT INFORMATION (continued)

CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment at least quarterly. Segment performance is evaluated based on EBITDA and Net profit. Information related to each reportable segment is set out below.

	Methanol Integrated Plant (Parent Company)		***LPG Plant (subsidiary company)***		***Adjustments and eliminations***		***Consolidated***	
	2025	*2024*	***2025***	*2024*	***2025***	*2024*	***2025***	*2024*
	£	£	£	£	£	£	£	£
Revenue								
- Export	**153,054,115**	153,702,799	**63,531,899**	72,379,572	**-**	**-**	**216,586,014**	226,082,371
- Local	**-**	-	**9,385,970**	8,762,421	**-**	**-**	**9,385,970**	8,762,421
	153,054,115	153,702,799	**72,917,869**	81,141,993	**-**	**-**	**225,971,984**	234,844,792
EBITDA	**59,297,318**	63,462,954	**24,313,708**	29,950,632	**201,539**	192,190	**83,812,565**	93,605,776
Other income	**9,975,606**	1,198,452	**4,094**	**-**	**(8,708,827)**	(192,190)	**1,270,873**	1,006,262
Depreciation and amortisation	**(21,269,327)**	(22,237,623)	**(10,941,870)**	(11,179,454)	**-**	-	**(32,211,197)**	(33,417,077)
Finance cost	**(10,190,452)**	(8,509,951)	**(9,562,965)**	(11,464,359)	**-**	-	**(19,753,417)**	(19,974,310)
Finance income	**4,542,466**	2,534,956	**10,023,582**	1,979,557	**-**	-	**14,566,048**	4,514,513
Provision for related party receivable	**-**	-	**-**	(5,323,616)	**-**	-	**-**	(5,323,616)
Net profit	**42,355,611**	36,448,788	**13,836,549**	3,962,760	**(8,507,288)**	-	**47,684,872**	40,411,548

31 OPERATING SEGMENT INFORMATION (continued)

	Methanol Integrated Plant (Parent Company)		*LPG Plant (subsidiary company)*		*Adjustments and eliminations*		*Consolidated*	
	2025	*2024*	***2025***	*2024*	***2025***	*2024*	***2025***	*2024*
	£	£	£	£	£	£	£	£
Total assets	**439,201,186**	456,493,355	**338,364,782**	358,953,491	**(3,030,096)**	(3,260,909)	**774,535,872**	812,185,937
Total liabilities	**185,301,593**	194,896,888	**266,548,771**	292,964,584	**(2,530,096)**	(3,260,909)	**449,320,268**	484,600,563
Other disclosures								
Cash and cash equivalents	**27,063,230**	112,516,721	**19,503,423**	54,797,070	**-**	**-**	**46,566,653**	167,313,791
Term loans	**157,803,052**	164,442,960	**154,730,392**	176,108,479	**-**	**-**	**312,533,444**	340,551,439
Capital expenditure	**7,210,168**	6,932,895	**3,359,469**	25,522,319	**-**	**-**	**10,569,637**	32,455,214

Capital expenditure consists of additions to property, plant, and equipment, including construction work in progress (CWIP). The costs, assets, and liabilities disclosed are those approved and reported to the CODM. No common costs have been allocated across segments; all costs are directly attributable to the respective segments.

Geographical information:
The geographical information analyses the Group and Parent Company's revenue and non-current assets by the Group and Parent Company's country of domicile and UAE. A geographical analysis of segment revenue has been based on the geographical location of the customers and segment assets were based on geographical location of the assets. Refer to note 5(iii) for details.

All the Group and Parent Company's assets are located in Sultanate of Oman.

Revenues from major products and services:
The Group and Parent Company's revenues from its major products and services are disclosed in note 5 (ii).

Information about major customers:
Revenue from one major customer (OQ Trading LLC) of the Group and Parent Company represented £ 216,586,014 (96%) (31 December 2024: £ 226,082,371 (96%)) of the Group and Parent Company's total revenue. No other single customer contributed 10% or more of the Group and Parent Company's revenue in the year ended 31 December 2025 and 2024.

32 CAPITAL COMMITMENTS AND CONTINGENCIES

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Capital commitments – Methanol	**6,898,724**	3,061,662	**6,898,724**	3,061,662
Capital commitments – LPG	**4,471,292**	4,158,773	**-**	-
Total capital commitments (related to CWIP)	**11,370,016**	7,220,435	**6,898,724**	3,061,662
Letter of guarantees	**250,000**	250,000	**200,000**	200,000
Long-term gas purchase				
The minimum future payments under the GSA are as follows:				
Up to 1 year	**25,051,136**	25,051,136	**25,051,136**	25,051,136
2 to 5 years	**100,204,545**	100,204,545	**100,204,545**	100,204,545
Above 5 years	**110,087,733**	135,138,869	**110,087,733**	135,138,869
	235,343,414	260,394,550	**235,343,414**	260,394,550

33 FINANCIAL INSTRUMENTS

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated and separate financial statements.

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Financial assets (at amortised cost)				
Cash and cash equivalents	**46,566,653**	167,313,791	**27,063,230**	112,516,721
Term deposits	**119,249,961**	55,000	**88,465,000**	30,000
Due from related parties	**22,691,637**	35,513,888	**19,685,665**	28,598,577
Other receivables (excluding prepayments and advances)	**1,893,871**	1,934,527	**976,936**	356,833
	190,402,122	204,817,206	**136,190,831**	141,502,131
Financial assets (at FVTPL)				
Derivative instruments	-	6,582,625	-	-
	190,402,122	211,399,831	**136,190,831**	141,502,131

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Financial liabilities (at amortised cost)				
Term loans	**312,533,444**	340,551,439	**157,803,052**	164,442,960
Lease liabilities	**13,729,846**	14,020,766	**8,216,119**	8,504,610
Accrued liability for rich gas	**99,185,004**	101,388,946	-	-
Trade and other payables	**16,522,857**	20,973,591	**11,994,513**	13,171,354
Due to related parties	**5,680,479**	6,221,391	**5,694,787**	7,397,356
	447,651,630	483,156,133	**183,708,471**	193,516,280

The carrying amounts of financial asset and financial liabilities recognized in the financial statements approximate their fair values unless stated otherwise.

34 FINANCIAL RISK MANAGEMENT

The Group and Parent Company 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 and Parent Company's exposure to each of the above risks, the Group and Parent Company's objectives, policies and processes for measuring and managing risk, and management of capital. Further, quantitative disclosures are included throughout these consolidated and separate financial statements.

Risk management framework
Management has overall responsibility for the establishment and oversight of the Group and Parent Company's risk management framework. The Board of directors (the "Board") entrusted the Management with the responsibility of development and monitoring the Group and Parent Company's risk management policies and procedures and its compliance with them. The Group and Parent Company Internal Audit oversees how management monitors compliance with the Group and Parent Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Parent Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Parent Company's activities. The Group and Parent Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and Parent Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and Parent Company is exposed to credit risk on its bank balance, derivatives, advances, other receivables and balances due from related parties. The Group and Parent Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group and Parent Company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the recognised financial assets as stated below:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	﷼	﷼	﷼	﷼
Cash and cash equivalents	**46,566,653**	167,313,791	**27,063,230**	112,516,721
Term deposits	**119,249,961**	55,000	**88,465,000**	30,000
Due from related parties	**22,691,637**	35,513,888	**19,685,665**	28,598,577
Derivatives	-	6,582,625	-	-
Other receivables (excluding prepayments)	**1,893,871**	1,934,527	**976,936**	356,833
	190,402,122	211,399,831	**136,190,831**	141,502,131

Exposure to credit risk for balances due from related parties and receivables from the Government of Sultanate of Oman at the reporting date by geographic region:

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	﷼	﷼	﷼	﷼
Sultanate of Oman	**1,044,041**	1,259,483	**2,441,637**	2,810,671
Middle East – UAE	**21,647,596**	34,254,405	**17,244,028**	25,787,906
	22,691,637	35,513,888	**19,685,665**	28,598,577

34 FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

(i) Credit risk (continued)

Expected credit loss (ECL) assessment
The Group and Parent Company has other receivables, balances due from related parties, term deposits, other financial assets at amortised cost and cash and cash equivalents as financial assets that are subject to IFRS 9's expected credit loss model. The Group and Parent Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of financial assets in the consolidated and separate statement of financial position.

The Group and Parent Company has applied the general approach in IFRS 9 to measure the loss allowance at 12 months ECL on its financial assets except for trade receivables which are assessed under simplified approach. The expected credit losses on these items by using a PD rating approach model where internal ratings are developed which are mapped to determination of probability of default, based on the external credit rating agencies such as Moody's. Where the external rating of a financial instrument is not available, the Group and Parent Company assesses the credit quality of the customer, taking into account its financial position from latest available audited financial statements, past experiences, and other factors.

The Group and Parent Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss including but not limited to audited financial statements, management accounts and cash flow projections and available information about customer and applying experienced credit judgement accordingly.

Impairment loss on financial assets are considered immaterial and accordingly no impairment was recognised in Consolidated and separate statement of profit or loss and comprehensive income based on the assessment carried out as management believes the amounts are fully recoverable.

Related parties
Generally, the Group and Parent Company deals with the customers based on cash or guarantees from reputed banks. In the case of major customers who have been provided credit status, their credit worthiness has been thoroughly evaluated in advance and their credit terms are governed by their respective contracts with the Group and Parent Company. The Group and Parent Company has an approved credit policy forming part of its financial policies and procedures. In case of exceptions provisions are created as appropriate.

The Group and Parent Company's receivables mainly pertains to one of its major customers (OQ Trading LLC) which is a related party and the Group and Parent Company is dealing with the customer from commencement of its commercial operation. The usual credit term is 45 days and as at 31 December 2025 other receivables are neither past due nor impaired (31 December 2024: none). The Group and Parent Company has not recognised any impairment allowance as at 31 December 2025 (31 December 2024: 5,323,616).

Term deposits
The Group and Parent Company limits its credit risk with regard to bank deposits by only dealing with reputable banks. The Group and Parent Company is not considered to be credit impaired as there is no significant increase in credit risk and also these banks are highly regulated by the central banks of the respective countries. The 12-month probabilities of default are based on a combination of historical data and forward-looking information, including data supplied by Moody's for each credit rating, audited financial statements, and the forward outlook. The Group and Parent Company has not recognised any impairment allowance as at 31 December 2025l (31 December 2024: Nil).

Cash and cash equivalents
The cash and cash equivalents are held with bank, which are rated Ba1 to A1 (2024: Ba1 to Baa2), based on Moody's ratings. Impairment on cash and cash equivalents has been measured on a lifetime expected loss basis.

The Group and Parent Company is not considered to be credit impaired as there is no significant increase in credit risk and also these banks are highly regulated by the central banks of the respective countries. The 12-month probabilities of default are based on a combination of historical data and forward-looking information, including data supplied by Moody's for each credit rating, audited financial statements, and the forward outlook. The Group and Parent Company recognised no impairment allowance as at 31 December 2025 (31 December 2024: Nil).

34 FINANCIAL RISK MANAGEMENT (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and Parent Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group and Parent Company's approach to managing liquidity risk 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 and Parent Company's reputation.

The Group and Parent Company manages and monitors its liquidity positions on a predefined, periodic basis in the following manner:

- Monitoring maturity obligations and commitments so that these can be paid fully and promptly;
- Managing liquidity and performing the cash management function for all currencies; and
- Developing funding strategies and initiatives in order to safeguard against stressed conditions (cash forecast/planning and liquidity gap).

Ensuring bank facilities and shareholders' advances are available, where required.
All financial liabilities are carried at amortised cost. The table below summarises the maturities of the Group and Parent Company's undiscounted non-derivative financial liabilities based on contractual payment dates:

Group		***Contractual cashflows***			
At 31 December 2025	***Carrying amount*** £	***Total cash flows*** £	***Up to 1 year*** £	***2 to 5 years*** £	***Above 5 years*** £
Term loans	**312,533,444**	**403,520,659**	**44,547,300**	**162,218,310**	**196,755,049**
Lease liabilities	**13,729,846**	**26,264,284**	**1,016,407**	**4,204,094**	**21,043,783**
Due to related parties	**5,680,479**	**5,680,479**	**5,680,479**	-	-
Trade and other payables	**16,522,857**	**16,522,857**	**16,522,857**	-	-
Accrued liability for rich gas	**99,185,004**	**121,853,786**	**24,937,155**	**66,063,887**	**30,852,744**
	447,651,630	**573,842,065**	**92,704,198**	**232,486,291**	**248,651,576**

Group		*Contractual cashflows*			
At 31 December 2024	*Carrying amount* £	*Total cash flows* £	*Up to 1 year* £	*2 to 5 years* £	*Above 5 years* £
Term loans	340,551,439	438,348,665	43,687,983	165,081,415	229,579,267
Lease liabilities	14,020,766	37,234,681	1,319,580	5,539,032	30,376,069
Due to related Parties	6,221,391	6,221,391	6,221,391	-	-
Trade and other payables	20,973,591	20,973,591	20,973,591	-	-
Accrued liability for rich gas	101,388,946	116,448,330	41,014,358	75,433,972	-
	483,156,133	619,226,658	113,216,903	246,054,419	259,955,336

34 FINANCIAL RISK MANAGEMENT (continued)

(ii) Liquidity risk (continued)

Parent		***Contractual cashflows***			
At 30 December 2025	***Carrying amount*** £	***Total cash flows*** £	***Up to 1 year*** £	***2 to 5 years*** £	***Above 5 years*** £
Term loan	**157,803,052**	**233,031,662**	**15,304,700**	**56,512,126**	**161,214,836**
Lease liabilities	**8,216,119**	**15,096,841**	**647,488**	**2,666,029**	**11,783,324**
Due to related parties	**5,694,787**	**5,694,787**	**5,694,787**	-	-
Trade and other payables	**11,994,513**	**11,994,513**	**11,994,513**	-	-
	183,708,471	**265,817,803**	**33,641,488**	**59,178,155**	**172,998,160**

Parent		*Contractual cashflows*			
At 31 December 2024	*Carrying amount* £	*Total cash flows* £	*Up to 1 year* £	*2 to 5 years* £	*Above 5 years* £
Term loan	164,442,960	231,090,915	14,425,452	50,863,085	165,802,378
Lease liabilities	8,504,610	15,744,329	647,488	2,644,816	12,452,025
Due to related parties	7,397,356	7,397,356	7,397,356	-	-
Trade and other payables	13,171,354	13,171,354	13,171,354	-	-
	193,516,280	267,403,954	35,641,650	53,507,901	178,254,403

The amounts included above for variable interest rate instruments for financial liabilities (as disclosed in interest rate risk section of this note) is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

In 2024 the Group and Parent Company has entered into restructuring the existing Syndicated facilities with a total limit of £ 355.7 million. The loan was fully disbursed and was utilized to settle the existing Syndicated facilities. The Group and Parent Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group and Parent Company'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 optimizing the return

The Group and Parent Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group and Parent Company is exposed to foreign currency risk arising from currency exposures primarily with respect to the US Dollar. The Rial Omani is pegged to the US Dollar. Since most of the foreign currency transactions are in US Dollars, management believes that the currency rate fluctuations would have an insignificant impact on the post-tax profit.

(b) Interest rate risk

The Group and Parent Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

34 FINANCIAL RISK MANAGEMENT (continued)

(iii) Market risk (continued)

(b) Interest rate risk (continued)

Further, the Group and Parent Company is exposed to interest rate risk on its interest-bearing assets (bank deposits) .

The Group and Parent Company manages interest rate risk by placing deposits for short periods to earn interest at market rates. The management monitors the interest rate risk by setting limits on the interest rate gaps for stipulated periods.

Group entities adopts a policy of ensuring certain ratios OQ LPG Nil, OQ BI - Nil (31 December 2024: 100% OQ LPG, OQBI - Nil) of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates.

Non-derivative financial assets
The Group and Parent Company does not have any non-derivative financial assets exposed to interbank offered rates (IBORs) as at 31 December 2025 or 31 December 2024.

Derivatives
In October 2020, the International Swaps and Derivatives Association (ISDA) published its fallback protocol containing clauses to amend derivative contracts on the cessation of LIBOR should an entity and its counterparts adhere to the protocol. The protocol's pricing mechanism is at fair market value. The Group and Parent Company has adhered to and signed up to the protocol during the year ended 31 December 2024. Accordingly, all the derivatives were translated to Compounded SOFR.

As of 31 December 2025, there were no derivative assets qualifying for hedge accounting (31 December 2024: None).

The Group and Parent Company is exposed to interest rate risk as the Group and Parent Company borrow funds at floating interest rates. The risk is managed by the Group and Parent Company through active monitoring of the forward interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite to ensure the most cost-effective hedging strategies will be applied.

The Group and Parent Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. At the reporting date, the interest rate risk profile of the Group and Parent Company's interest bearing financial instrument was:

	Consolidated		***Parent Company***	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Term loans (note 23)	**314,697,332**	343,117,014	**159,029,200**	165,796,400
Less: hedged exposure (note 29)	**-**	(177,320,614)	**-**	-
Un-hedged portion	**314,697,332**	165,796,400	**159,029,200**	165,796,400

Sensitivity analysis
A change of 100 basis points in interest rates as at reporting date would have increased / (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

34 FINANCIAL RISK MANAGEMENT (continued)

(iii) Market risk (continued)

(b) Interest rate risk (continued)

Sensitivity analysis (continued)

	2025		*2024*	
	Un-hedged portion		*Un-hedged portion*	
	100bp increase	***100bp decrease***	*100bp increase*	*100bp decrease*
	£	£	£	£
Group				
Profit or loss - increase / (decrease)	**(3,146,973)**	**3,146,973**	(1,657,964)	1,657,964
Parent Company				
Profit or loss - increase / (decrease)	**(1,590,292)**	**1,590,292**	(1,657,964)	1,657,964

A change of 100 basis points in interest rates as at reporting date would have increased / (decreased) balance of profit or loss and equity due to changes in derivatives by the amounts shown below.

Group	***2025***		*2024*	
	100bp increase	***100bp decrease***	*100bp increase*	*100bp decrease*
	£	£	£	£
Profit or loss - increase / (decrease)	-	-	1,625,642	(1,648,186)
Equity - increase / (decrease)	-	-	1,537,289	(1,588,772)
Net - increase / (decrease)	-	-	3,162,931	(3,236,958)

Parent Company	***2025***		*2024*	
	100bp increase	***100bp decrease***	*100bp increase*	*100bp decrease*
	£	£	£	£
Profit or loss - increase / (decrease)	-	-	1,154,517	(1,124,417)
Equity - increase / (decrease)	-	-	852,566	(797,478)
Net - increase / (decrease)	-	-	2,007,083	(1,921,895)

Capital risk management

The Group and Parent Company management policy is to maintain a strong capital base so as to maintain investor, lenders and market confidence and to sustain future development of the business. There were no changes in the Group and Parent Company's approach to capital management during the current and prior year.

The Group and Parent Company management monitors the Group and Parent Company's liquidity and financial position on a regular basis and periodically reviews its long-term financial commitments. The Group and Parent Company also uses gearing ratio to monitor its capital, which is calculated as net debt divided by total capital employed which is equal to total equity plus net debt. Net debt is calculated as total interest-bearing loans and borrowings less cash and cash equivalents and term deposits. Total equity includes equity attributable to owners of the Group and Parent Company including retained earnings, statutory and all other reserves.

34 FINANCIAL RISK MANAGEMENT (continued)

Capital risk management (continued)

	Consolidated		*Parent Company*	
	2025	*2024*	***2025***	*2024*
	£	£	£	£
Interest bearing borrowings (note 23)	**312,533,444**	340,551,439	**157,803,052**	164,442,960
Less: cash and cash equivalents (note 20)	**(46,566,653)**	(167,313,791)	**(27,063,230)**	(112,516,721)
Less: term deposits (note 19)	**(119,249,961)**	(55,000)	**(88,465,000)**	(30,000)
Net debt (a)	**146,716,830**	173,182,648	**42,274,822**	51,896,239
Total equity (b)	**325,215,604**	327,585,374	**253,899,593**	261,596,467
Total capital employed (a and b)	**471,932,434**	500,768,022	**296,174,415**	313,492,706
Net debt-to-total capital employed ratio	**0.31**	0.35	**0.14**	0.17

35 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Group and Parent Company management believe that the carrying amounts of financial assets and financial liabilities recognized in the consolidated and separate financial statements approximate their fair values.

Fair value measurements recognized in the Consolidated and separate statement of financial position
The Group and Parent Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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

At 31 December 2025 and 31 December 2024 the Group and Parent Company has following level 2 financial instruments only.

	Consolidated		*Parent Company*	
	31 December 2025	*31 December 2024*	***31 December 2025***	*31 December 2024*
	£	£	£	£
Level 2 instruments				
Fair value of derivative – current asset	-	6,582,625	-	-
Level 2 instruments	-	6,582,625	-	-

Derivative instruments
The fair value is calculated as the present value of the estimated future cash flow. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates.

Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

35 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Derivative instruments (continued)

The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and Parent Company and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. There were no transfers between the levels for fair value measurement of the financial instruments held by the Group and Parent Company (31 December 2024: None)

36 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Group	*Liabilities*		*Derivatives*	
	Term loans	*Leases*	*Interest rate swap - Assets*	*Total*
	£	£	£	£
Balance at 1 January 2025	**340,551,439**	**14,020,766**	**(6,582,625)**	**347,989,580**
Changes from financing cash flows				
Repayments	**(28,419,682)**	**(858,417)**		**(29,278,099)**
Proceeds from settlement of derivative	**-**		**7,399,895**	**7,399,895**
Interest payment	**(18,868,089)**	**(130,080)**		**(18,998,169)**
Total changes from financing cash flows	**(47,287,771)**	**(988,497)**	**7,399,895**	**(40,876,373)**
Other changes				
Liability related				
Deferred finance cost	**401,687**		**-**	**401,687**
Interest accrued	**18,868,089**	**859,903**	**-**	**19,727,992**
Changes in fair value	**-**	**-**	**(506,753)**	**(506,753)**
Accrued hedge receivable	**-**	**-**	**(310,517)**	**(310,517)**
Lease reassessment	**-**	**(162,326)**	**-**	**(162,326)**
Total assets/ liabilities -related to other changes	**19,269,776**	**697,577**	**(817,270)**	**19,150,083**
Balance at 31 December 2025	**312,533,444**	**13,729,846**	-	**326,263,290**

36 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (continued)

Group	*Liabilities*			*Derivatives*	
	Term loans	*Shareholder's loan*	*Leases*	*Interest rate swap - Assets*	*Total*
	£	£	£	£	£
Balance at 1 January 2024	372,455,301	55,642,818	11,798,920	(17,567,549)	422,329,490
Changes from financing cash flows					
Repayment	(390,109,220)	-	(560,036)	-	(390,669,256)
Loan obtained during the year	355,662,500	-	-	-	355,662,500
Transaction cost paid	(2,565,576)	-	-	-	(2,565,576)
Proceeds from settlement of derivative	-	-	-	13,199,084	13,199,084
Interest payment	(32,326,570)	-	(428,140)	-	(32,754,710)
Total changes from financing cash flows	(69,338,866)	-	(988,176)	13,199,084	(57,127,958)
Other changes					
Liability related					
Deferred finance cost	5,108,434	-	-	-	5,108,434
Loan waiver	-	(17,401,860)	-	-	(17,401,860)
Settled by equity shares		(38,240,958)	-		(38,240,958)
Interest accrued	32,326,570	-	858,343	-	33,184,913
loss on termination	-	-	-	2,074,854	2,074,854
Changes in fair value	-	-	-	(4,289,014)	(4,289,014)
Lease reassessment	-	-	2,351,679	-	2,351,679
Issue of shares	-	-	-	-	-
Total assets / liabilities -related to other changes	37,435,004	(55,642,818)	3,210,022	(2,214,160)	(17,211,952)
Balance at 31 December 2024	340,551,439	-	14,020,766	(6,582,625)	347,989,580

36 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (continued)

Parent Company	*Liabilities*		
	Term loan	*Leases*	*Total*
	£	£	£
Balance at 1 January 2025	**164,442,960**	**8,504,610**	**172,947,570**
Changes from financing cash flows			
Repayments	**(6,767,200)**	**(519,043)**	**(7,286,243)**
Interest payment	**(9,517,217)**	**(128,445)**	**(9,645,662)**
Total changes from financing cash flows	**(16,284,417)**	**(647,488)**	**(16,931,905)**
Deferred finance cost	**127,292**	**-**	**127,292**
Interest accrued	**9,517,217**	**521,323**	**10,038,540**
Lease reassessment	**-**	**(162,326)**	**(162,326)**
Total assets/ liabilities -related to other changes	**9,644,509**	**358,997**	**10,003,506**
Balance at 31 December 2025	**157,803,052**	**8,216,119**	**166,019,171**

36 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (continued)

Parent Company	*Liabilities*		*Derivatives*	
	Term loan	*Leases*	*Interest rate swap - Assets*	*Total*
	£	£	£	£
Balance at 1 January 2024	180,427,554	6,580,583	(8,272,099)	178,736,038
Changes from financing cash flows				
Repayment	(185,882,971)	(388,255)	-	(186,271,226)
Loan obtained during the year	169,180,000	-	-	169,180,000
Proceeds from settlement of derivative	-	-	6,197,245	6,197,245
Transaction costs	(1,353,440)	-	-	(1,353,440)
Interest payment	(15,601,707)	(259,234)	-	(15,860,941)
Total changes from financing cash flows	(33,658,118)	(647,489)	6,197,245	(28,108,362)
Deferred finance cost	2,071,817	-	-	2,071,817
Loan waiver	-	-	-	-
Interest accrued	15,601,707	518,467	-	16,120,174
loss on termination	-	-	2,074,854	2,074,854
Lease reassessment	-	2,053,049	-	2,053,049
Total assets/ liabilities -related to other changes	17,673,524	2,571,516	2,074,854	22,319,894
Balance at 31 December 2024	164,442,960	8,504,610	-	172,947,570

37 CLIMATE RELATED RISK

The Group and Parent Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behavior and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

The Group and Parent Company is currently in the process of embedding climate related risks in its Risk Management Framework as part of its commitment towards Group and Parent Company's Sustainability strategy, that includes setting proper risk appetite metrics and maintaining policies, processes and controls to incorporate environmental and climate change risks in the management of its risk categories. The Group and Parent Company acknowledges the need for further efforts to fully integrate climate in the Group and Parent Company's risk assessments and management protocols.

38 RECLASSIFICATION

Certain comparative figures have been reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassifications did not affect the previously reported profit, other comprehensive income, or total equity.

39 DIVIDENDS

During the year ended 31 December 2025, the dividends have been paid as below:

(1) Cash dividend of 7.08 baiza amounting to £ 24.5 million was approved by the shareholders at the Ordinary General Meetings held on 29 January 2025;

(2) Cash dividend of 2.37 baiza amounting to £ 8.2 million approved by the shareholders at the Annual General Meeting held on 23 March 2025; and

(3) Cash dividend of 5 baiza amounting to £ 17.3 million approved by the shareholders at the Ordinary General Meetings held on 19 October 2025.

For the year ended 31 December 2025, the Board of Directors proposed a cash dividend of 4.93 baiza against per ordinary share of 40 baiza, aggregating to £ 17 million on Group's existing share capital. The proposed cash dividend is subject to formal approval of the Annual General Meeting of the shareholders.