

Raysut Cement Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

1. Legal status and principal activities

Raysut Cement Company SAOG (the "Parent Company" or the "Parent" or the "Company") was formed in 1981 by Ministerial Decision No. 7/81 and is registered in the Sultanate of Oman as a public joint stock company. The Company and its subsidiaries (see below) are together referred to as the "Group".

The principal activities of the Parent Company are the production and sale of ordinary portland cement, sulphur resistant cement, oil well class 'G' cement and pozzolana well cement. The registered office of the Parent Company is at Salalah, P.O. Box 1020, Postal Code 211, Sultanate of Oman.

The principal activities of the subsidiaries and associates are set out below:

<u>Subsidiary companies</u>	<u>Country of incorporation</u>	<u>Shareholding percentage %</u>		<u>Principal activities</u>
		<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	
Operational subsidiary companies				
Pioneer Cement Industries	United Arab	100	100	Production and sale of cement
Raysut Maldives Cement Private Limited	Republic of Maldives	75	75	Trading activity
Sohar Cement Factory SPC	Sultanate of Oman	100	100	Production and sale of cement
Non-operational subsidiary companies				
Pioneer Cement Industries Georgia Limited*	Georgia	100	100	Limestone quarry
Raysut Burwaqo Cement Company LLC (‘RBCC’)**	Sultanate of Oman	51	51	Wholesale of cement and plastic
Raysut Cement Trading Madagascar**	Madagascar	100	100	Trading activity
Duqm Cement Factory LLC	Sultanate of Oman	100	100	Production and sale of cement
Raysut Cement Holding Company PTE LTD ***	Singapore	100	100	Trading activity
<u>Associate companies</u>	<u>Country of incorporation</u>	<u>Shareholding percentage %</u>		<u>Principal activities</u>
		<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	
Mukalla Raysut Trading and Industrial Company (‘MRTIC’)	Republic of Yemen	49	49	Importing, exporting, packing and marketing of cement products.
<u>Branch of the Parent</u>	<u>Country of incorporation</u>		<u>Principal activities</u>	
Raysut Cement Company S.A.O.G (Branch)	United Arab Emirates		Limestone quarry	

These financial statements represent the results of operations of the Parent Company on a standalone basis and consolidated with its subsidiaries (the "Group").

*Pioneer Cement Industries Georgia Limited is a subsidiary of Pioneer Cement Industries. The company is inoperative.

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

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies

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

2.1 Basis of preparation

(a) Compliance with IFRS

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

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

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

(b) Historical cost convention

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

(c) Going concern

During the six months period ended 30 June 2025, the Group continued to incur losses of 2,847,915 (6M2024: RO 4,616,042) and similarly, the Parent Company incurred losses of RO 3,174,922 (6M2024: RO 2,479,540). As of 30 June 2025, the Group reported accumulated losses of RO 53,314,231 (2024: accumulated losses of RO 50,437,695). Further, the Parent Company had reported accumulated losses of RO 54,991,208 (2024: accumulated losses of RO 51,816,286) as at 30 June 2025. At the same date, the Group's current liabilities exceeded its current assets, resulting in a net current liability position of RO 74,254,695 (2024: RO 72,464,021). The Parent Company's current liabilities also exceeded its current assets, resulting in a net current liability position of RO 77,265,531 (2024: RO 74,504,261). In accordance with Article 147 of the Commercial Companies Law of 2019, the Directors are required to convene an Extraordinary General Meeting for shareholders' resolutions regarding the proposed remediation plans as the Group and the Parent Company's accumulated losses have exceeded 50% of its issued share capital. The Board of Directors are in the process of planning and convening the required Extraordinary General Meeting in accordance with the applicable provisions of the Commercial Companies Law of 2019.

Despite the challenges, the management and the Board of Directors remain confident in the Group's and Parent Company's ability to continue as a going concern based on the actions taken to improve the operational performance, the ongoing negotiations with key suppliers and lenders, and support from key shareholders. The management and the Directors therefore have a reasonable expectation that the Group and the Parent Company will have adequate resources to meet its financial obligations for a period of at least 12 months from the date of approval of these financial statements, without the requirement of additional capital injection. Accordingly, these financial statements have been prepared on a going concern basis.

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New and amended standards adopted by the Group

For the six months period ended 30 June 2025, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS IC) of the IASB.

(e) New standards and interpretations not yet adopted

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

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

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

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

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

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

(ii) Associates

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

(iii) Equity method

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

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

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.3 Segment reporting

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

2.4 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(iii) Group companies

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

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

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

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.5 Revenue from contracts with customers

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

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

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

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

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

2.6 Taxation

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

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

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. A deferred tax asset is recognised only to the extent that it is probable that future Deferred tax assets and liabilities are offset as there is a legally enforceable right to do so in Oman.

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

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

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

2.7 Leases

(i) Identification of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the Group has the right to direct the use of the asset. The Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.7 Leases (continued)

(ii) Identification of a lease as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.8 Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of:

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

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

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

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

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

2.9 Impairment of non- financial assets

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

2.10 Cash and cash equivalents

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

Notes to the separate and consolidated financial statements
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2. Summary of material accounting policies (continued)

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less Expected Credit Loss (ECL) allowance.

2.12 Inventories

Inventories are stated at the lower of cost and net realizable value, where net realizable value is the estimated selling price less any estimated costs of completion and estimated selling expenses. Cost of raw materials includes purchase price, delivery costs and other direct expenses incurred in bringing the inventories to their present condition and location. The cost of finished goods includes an appropriate share of costs of production overheads based on normal

Raw materials cost represents price of the goods, and related direct expenses. Finished goods cost represent cost of raw materials, direct labour and other attributable overheads. Work-in-progress cost represents proportionate cost of raw materials, direct labour and other attributable overheads. Finished goods and work in progress are valued at standard cost i.e. at standard usage and standard overheads. Any significant variance if any in actuals then the same is dealt accordingly in inventory valuation.

2.13 Financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

Debt instruments

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

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

Notes to the separate and consolidated financial statements
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2. Summary of material accounting policies (continued)

2.13 Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

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

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

Dividend income

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

(iv) Impairment

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

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.14 Property, plant and equipment

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

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

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

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

Before 31 December 2024, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for land and capital work-in-progress which are carried at cost less impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.14 Property, plant and equipment (continued)

The cost of replacing part of an item of property, plant and equipment is capitalized in the carrying amount of an item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the separate and consolidated statement of comprehensive income as incurred.

Depreciation is calculated to write off the cost or revalued amounts of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in separate and consolidated statement of comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings and civil works	5 - 35
Plant and machinery	32
Motor vehicles	5
Furniture and fixtures	5
Office equipment	5
Factory vehicles, equipment and tools	3 - 5

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital work-in-progress

Capital work-in-progress represents structures and facilities under construction and is stated at cost. This includes the cost of construction, equipment and other direct costs. Capital work-in-progress is not depreciated until such time that the relevant assets are available for intended use.

2.15 Exploration and evaluation assets

Recognition

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

Classification and measurement

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

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

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.15 Exploration and evaluation assets (continued)

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

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

Impairment

As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

Under the full cost method of accounting for exploration and evaluation costs, such costs are capitalised as intangible assets and are assessed for impairment on a concession basis based on the IFRS 6, "Exploration for and Evaluation of Mineral Resources", impairment indicators.

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

2.16 Intangible assets

Goodwill

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

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

2.17 Financial liabilities

Classification and subsequent measurement

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

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

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

2.18 Trade and other payables

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

2.19 Borrowings

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

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

2. Summary of material accounting policies (continued)

2.20 Borrowing costs

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

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

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

2.21 Modification of financial liabilities

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

2.22 Provisions

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

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

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

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

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

2.24 Dividend distribution

The Board of Directors recommends to the Shareholders the dividend to be paid out of the Parent Company's retained earnings. The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law of the Sultanate of Oman and other relevant directives issued by Financial Services Authority while recommending the dividend. Dividends are recognised as a liability when declared and approved by the shareholders.

2.25 Directors' remuneration

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

2.26 Interest income and expense

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

Raysut Cement Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

3. Goodwill

Goodwill was recognized as a result of acquisition of Pioneer Cement Industries (Pioneer Cement), Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) (Sohar Cement) and Raysut Maldives Cement Private Limited (Raysut Maldives). Goodwill represents the excess of the cost of acquiring shares in these subsidiary companies over the aggregate fair value of the net assets.

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

On 12 August 2020, the Group acquired 75% ordinary shares of Raysut Maldives Cement Private Ltd ('Raysut Maldives') with total consideration of net RO 3.2 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Raysut Maldives is treated as the "acquiree".

Further, on 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) ('Sohar Cement') with total consideration of net RO 12.5 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Sohar Cement is treated as the "acquiree".

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

	Consolidated	
	<u>30-Jun-2025</u> <u>(unaudited)</u> <u>RO</u>	<u>31-Dec-2024</u> <u>(audited)</u> <u>RO</u>
Pioneer Cement Industries, UAE	45,798,586	45,798,586
Less: Provision for impairment loss	<u>(45,798,586)</u>	<u>(45,798,586)</u>
	-	-
Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC), Oman	818,482	818,482
Raysut Maldives Cement Pvt Ltd., Maldives	2,370,330	2,370,330
	3,188,812	3,188,812

During 2022, the management has tested the goodwill for impairment in accordance with IAS 36 "Impairment of Assets" and has accounted for impairment losses of RO 45,798,586 against Pioneer Cement Industries Limited UAE, at 31 December 2022 since the estimated recoverable amount of the related business to which the goodwill relates is less than its carrying value.

The recoverable amount of each cash-generating unit is determined based on a fair value less cost to sell calculation, using cash flow projections based on approved financial budgets. The Group has also analysed the impairment test based on market multiple to the historical earnings.

Raysut Cement Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

4. Property, plant and equipment

Parent	Land	Buildings civil works and mines	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Vehicles, equipment and tools	Capital work-in- progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Cost or fair value									
At 1 January 2024	205,250	36,983,608	90,483,644	554,235	255,601	1,684,646	10,249,539	12,194,717	152,611,240
Additions	-	74,996	429,083	-	-	-	53,525	-	557,604
Reversal	-	-	-	-	-	-	-	(35,787)	(35,787)
Elimination of cost (net approach)	-	(25,697,951)	(60,911,068)	-	-	-	(8,798,547)	-	(95,407,566)
Revaluation	(130,250)	2,155,207	9,702,456	-	-	-	3,988,591	-	15,716,004
Transfers	-	46,093	239,143	-	-	-	-	(285,236)	-
At 31 December 2024	75,000	13,561,953	39,943,258	554,235	255,601	1,684,646	5,493,108	11,873,694	73,441,495
At 1 January 2025	75,000	13,561,953	39,943,258	554,235	255,601	1,684,646	5,493,108	11,873,694	73,441,495
Additions	-	11,753	-	-	-	-	16,584	307,799	336,136
Adjustment	-	-	(5,455)	-	-	-	-	-	(5,455)
Transfers	-	-	237,540	-	-	-	34,990	(272,530)	-
At 30 June 2025	75,000	13,573,706	40,175,343	554,235	255,601	1,684,646	5,544,682	11,908,963	73,772,176
Accumulated depreciation									
At 1 January 2024	-	24,704,069	58,650,260	554,235	245,673	1,556,703	8,161,951	-	93,872,891
Charge for the year	-	993,882	2,260,808	-	5,897	99,164	636,596	-	3,996,347
Elimination of cost (net approach)	-	(25,697,951)	(60,911,068)	-	-	-	(8,798,547)	-	(95,407,566)
Provision for impairment	-	-	-	-	-	-	-	311,387	311,387
At 31 December 2024	-	-	-	554,235	251,570	1,655,867	-	311,387	2,773,059
At 1 January 2025	-	-	-	554,235	251,570	1,655,867	-	311,387	2,773,059
Charge for the period	-	500,524	1,276,917	-	2,418	11,345	290,610	-	2,081,814
At 30 June 2025	-	500,524	1,276,917	554,235	253,988	1,667,212	290,610	311,387	4,854,873
Net carrying value									
At 30 June 2025	75,000	13,073,182	38,898,426	-	1,613	17,434	5,254,072	11,597,576	68,917,303
At 31 December 2024	75,000	13,561,953	39,943,258	-	4,031	28,779	5,493,108	11,562,307	70,668,436

Raysut Cement Company SAOG and its Subsidiaries

Notes to the separate and consolidated financial statements
for the six months period ended 30 June 2025

4. Property, plant and equipment (continued)

Consolidated	Land	buildings civil works and mines	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Vehicles, equipment and tools	Capital work-in- progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Cost or fair value									
At 1 January 2024	205,250	50,995,979	142,546,063	852,819	480,379	2,324,346	13,690,819	25,907,882	237,003,537
Acquisitions							-	-	-
Additions		78,219	555,990	46,091	272	3,196	53,525	-	737,293
Reversal		-	-	-	-	-	-	(35,787)	(35,787)
Elimination of cost (net approach)	-	(38,088,663)	(83,539,100)	-	-	-	(11,996,159)	-	(133,623,922)
Revaluation	(130,250)	6,721,990	10,152,041	-	-	-	5,794,135	-	22,537,916
Transfers		46,093	239,143	-	-	-	-	(285,236)	-
At 31 December 2024	75,000	19,753,618	69,954,137	898,910	480,651	2,327,542	7,542,320	25,586,859	126,619,037
At 1 January 2024	75,000	19,753,618	69,954,137	898,910	480,651	2,327,542	7,542,320	25,586,859	126,619,037
Additions	-	13,582	-	-	2,244	-	16,584	307,799	340,208
Adjustment	-	-	(5,455)	-	-	-	-	-	(5,455)
Transfers	-	-	237,540	-	-	-	34,990	(272,530)	-
At 30 June 2025	75,000	19,767,200	70,186,222	898,910	482,895	2,327,542	7,593,894	25,622,128	126,953,790
Accumulated depreciation									
At 1 January 2024	-	36,583,297	79,951,716	798,928	445,284	2,010,892	11,174,339	7,638,858	138,603,314
Charge for the year	-	1,505,366	3,587,384	11,177	14,665	107,649	821,820	-	6,048,061
Elimination of cost (net approach)	-	(38,088,663)	(83,539,100)	-	-	-	(11,996,159)	-	(133,623,922)
Provision for impairment	-	-	-	19,382	-	3,748	-	1,185,791	1,208,921
At 31 December 2024	-	-	-	829,487	459,949	2,122,289	-	8,824,649	12,236,374
At 1 January 2024	-	-	-	829,487	459,949	2,122,289	-	8,824,649	12,236,374
Charge for the year	-	747,511	1,937,602	6,010	6,209	14,387	374,253	-	3,085,972
At 30 June 2025	-	747,511	1,937,602	835,497	466,158	2,136,676	374,253	8,824,649	15,322,346
Net carrying value									
At 30 June 2025	75,000	19,019,689	68,248,620	63,413	16,737	190,865	7,219,641	16,797,479	111,631,444
At 31 December 2024	75,000	19,753,618	69,954,137	69,423	20,702	205,252	7,542,320	16,762,210	114,382,663

Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information
for the three months period ended 31 March 2025

4. Property, plant and equipment (continued)

Depreciation is allocated for the period/year as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost of sales	2,054,311	3,865,173	3,016,922	5,826,788
General and administrative expenses	27,503	131,174	69,050	221,273
	2,081,814	3,996,347	3,085,972	6,048,061

5. Right-of-use assets

<u>Parent</u>	<u>Leasehold properties</u>
<u>Cost</u>	<u>RO</u>
At 1 January 2024	3,446,229
At 31 December 2024	3,446,229
At 1 January 2025	3,446,229
At 30 June 2025	3,446,229
Accumulated depreciation	
At 1 January 2024	1,122,016
Charge for the year	224,403
At 31 December 2024	1,346,419
At 1 January 2025	1,346,419
Charge for the period	112,201
At 30 June 2025	1,458,620
Net carrying value	
At 30 June 2025	1,987,609
At 31 December 2024	2,099,810
Consolidated	
Cost	
At 1 January 2024	7,979,066
Additions	5,902
At 31 December 2024	7,984,968
At 1 January 2025	7,984,968
At 30 June 2025	7,984,968
Accumulated depreciation	
At 1 January 2024	1,911,532
Charge for the year	441,470
At 31 December 2024	2,353,002
At 1 January 2025	2,353,002
Charge for the period	220,834
At 30 June 2025	2,573,836
Net carrying value	
At 30 June 2025	5,411,132
At 31 December 2024	5,631,966

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost of sales	90,444	180,889	164,197	328,196
General and administrative expenses	-	-	34,880	69,760
Selling and distribution expenses	21,757	43,514	21,757	43,514
	112,201	224,403	220,834	441,470

Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information
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6. Investment in an associate

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost	113,343	113,343	113,343	113,343
Less: Impairment	(113,343)	(113,343)	(113,343)	(113,343)
	-	-	-	-

7. Investment in subsidiaries

	<u>Parent</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>
Pioneer Cement Industries, UAE	66,532,035	66,532,035
Less: Provision for impairment of investment	(52,522,928)	(52,522,928)
	14,009,107	14,009,107
Sohar Cement Factory SPC, Oman	12,524,568	12,524,568
Raysut Burwaqo Cement Company LLC, Somalia	102,000	102,000
Less: Provision for impairment of investment	(102,000)	(102,000)
Raysut Maldives Cement Private Ltd, Maldives	3,093,205	3,093,205
Raysut Cement Trading Madagascar	99	99
Less: Provision for impairment of investment	(99)	(99)
Duqm Cement Factory LLC, Oman	150,000	150,000
	29,776,880	29,776,880

On 30 December 2010, the Parent Company acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer'). Pioneer was incorporated on 24 September 2004 in Ras Al Khaimah, UAE. This investment was impaired by RO 52,522,928 in 2022.

On 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC ('SCF'). SCF was incorporated on 14 September 2011 in Sohar, Sultanate of Oman as a limited liability company and converted to single person company in the year 2020.

Investment in Raysut Burwaqo Cement Company ('RBCC') represents 51% (2024: 51%) equity interest. RBCC was incorporated in January 2017 in the Sultanate of Oman. RBCC has not commenced its commercial operations as of the reporting date. During the year, management has made a full impairment provision on prudence basis.

On 12 August 2020, the Parent Company acquired 75% ordinary shares of Raysut Maldives Cement Pvt Ltd ('Raysut Maldives') formerly Lafarge Maldives Cement Private Limited. Raysut Maldives was incorporated on 2 September 1998 in K' Male, Republic of Maldives. During the year, the investment has decreased by RO 147,060 due to the repayment of partial amount of the capital contribution by the subsidiary. However, there is no change to the shareholding of 75% (2024:75%).

Investment in Duqm Cement Factory LLC. ('DCF') represents 100% equity interest. DCF was incorporated in November 2019 in the Sultanate of Oman. DCF is a grinding unit in Duqm region which is under construction phase.

On 1 July 2021, the Parent Company acquired 100% ordinary shares of Raysut Cement Trading Madagascar. The Company is engaged in trading activity of Cement and related products

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

	<u>Total assets</u>	<u>Total liabilities</u>	<u>Net assets</u>	<u>Revenue</u>	<u>Profit / (loss)</u>
30 June 2025	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Pioneer Cement Industries	46,905,000	16,613,339	30,291,661	12,305,793	426,867
Sohar Cement Factory SPC	20,987,962	14,339,714	6,648,248	8,670,081	26,017
Raysut Burwaqo Cement Company	144,453	3,400	141,053	-	(2,000)
Raysut Maldives Cement Private Ltd.	2,726,498	1,390,615	1,335,883	1,544,766	118,403
Raysut Cement Trading Madagascar	-	-	-	-	-
Duqm Cement Factory LLC	5,684,751	10,073,813	(4,389,062)	-	(242,279)
	<u>Total assets</u>	<u>Total liabilities</u>	<u>Net assets</u>	<u>Revenue</u>	<u>Profit / (loss)</u>
31 December 2024	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Pioneer Cement Industries	46,791,008	16,422,633	30,368,379	17,661,281	(2,881,010)
Sohar Cement Factory SPC	19,762,595	12,986,534	6,776,061	13,563,315	(421,432)
Raysut Burwaqo Cement Company	147,053	4,000	143,053	-	(4,021)
Raysut Maldives Cement Private Ltd.	2,573,020	1,355,540	1,217,480	2,636,582	(91,703)
Raysut Cement Trading Madagascar	-	-	-	-	1,128,821
Duqm Cement Factory LLC	5,714,872	9,861,655	(4,146,783)	-	(1,512,692)

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8. Financial assets at fair value through other comprehensive income

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Unquoted local equity investment	125,000	125,000	125,000	125,000
Less: provision for impairment	(125,000)	(125,000)	(125,000)	(125,000)
	-	-	-	-

9. Inventories

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Raw materials	1,611,895	1,252,743	2,807,453	1,721,367
Work-in-progress	7,813,592	9,441,135	8,683,053	10,548,610
Finished goods	1,111,561	1,047,565	1,888,695	1,948,200
Provision for inventories [note 9.1]	-	-	-	-
	10,537,048	11,741,443	13,379,201	14,218,177
Spares and consumables	7,304,755	7,220,078	10,962,389	10,871,489
Allowance for slow-moving spares [note 9.2]	(3,108,072)	(3,048,072)	(4,409,965)	(4,334,185)
	14,733,731	15,913,449	19,931,625	20,755,481

9.1 Movement in provision for inventories is as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	-	3,413,267	-	3,413,267
Write off during the period/year	-	(3,413,267)	-	(3,413,267)
	-	-	-	-

9.2 Movement in allowance for slow-moving spares is as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	3,048,072	2,928,072	4,334,185	3,888,867
Charge for the period/year	60,000	120,000	75,780	445,318
	3,108,072	3,048,072	4,409,965	4,334,185

10. Trade receivables

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Trade receivables	12,163,517	12,151,117	18,966,558	18,154,169
Due from related parties [note 38(a)]	13,884,652	13,750,704	11,655,888	11,678,278
	26,048,169	25,901,821	30,622,446	29,832,447
Less: allowance for expected credit losses on trade receivables	(11,412,526)	(11,412,526)	(14,723,178)	(14,438,025)
Less: allowance for expected credit losses on due from related parties	(12,321,961)	(12,321,961)	(10,592,914)	(10,592,914)
	2,313,682	2,167,334	5,306,354	4,801,508

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	23,734,487	23,460,932	25,030,939	24,543,632
Write off	(3,157)	-	(3,157)	-
Charge / (reversal) for the period/year	3,157	273,555	288,310	487,307
	23,734,487	23,734,487	25,316,092	25,030,939

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11. Financial assets at fair value through profit or loss

	<u>Parent and Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>
Fair value		
Bank Dhofar SAOG, Oman	2,251,330	2,683,627
Dhofar Insurance Company SAOG, Oman	131,333	146,666
Dhofar University SAOC, Oman	267,300	267,300
	2,649,963	3,097,593
Cost		
Bank Dhofar SAOG	1,229,700	1,229,700
Dhofar Insurance Company SAOG	29,600	29,600
Dhofar University SAOC	300,000	300,000
	1,559,300	1,559,300

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

	<u>Parent and Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>
At 1 January	3,097,593	3,185,737
Fair value changes	(483,299)	(88,144)
	2,614,294	3,097,593

12. Prepayments, advances and other receivables

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Advances and deposits	3,122,665	3,253,535	5,274,339	4,208,970
Less: allowances for impairment	(2,916,155)	(2,916,155)	(3,666,313)	(3,857,036)
	206,510	337,380	1,608,026	351,934
Other receivables from related parties [note 38(b)]	23,461,133	23,270,650	15,804,632	15,804,632
Less: allowance for impairment [note 38(b)]	(21,603,368)	(21,603,368)	(15,804,632)	(15,804,632)
	1,857,765	1,667,282	-	-
Receivable from tax authorities	559,139	559,139	559,139	559,139
Less: allowance for impairment	(559,139)	(559,139)	(559,139)	(559,139)
	-	-	-	-
Prepayments	-	-	148,876	93,035
VAT, net	314,427	304,992	314,427	304,992
Advances to staff	-	-	47,138	37,638
Other receivables	1,935,946	1,779,646	2,786,505	2,630,205
Less: Provision for impairment loss	(1,779,646)	(1,779,646)	(2,605,650)	(2,605,650)
	156,300	-	180,855	24,555
	2,535,002	2,309,654	2,299,322	812,154

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	26,858,308	26,546,832	22,826,457	22,113,589
Charge for the period/year	-	311,476	(190,723)	712,868
	26,858,308	26,858,308	22,635,734	22,826,457

Raysut Cement Company SAOG and its Subsidiaries

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13. Cash and bank balances

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cash in hand	8,417	7,948	22,715	16,168
Cash at bank:				
Current accounts	243,115	391,396	1,843,915	1,679,707
Call deposits	-	1,463	-	1,463
	251,532	400,807	1,866,630	1,697,338

Call deposits are placed with the commercial banks at interest rates ranging from 0.5% to 1.5% (2024: 0.5% - 1.5%) per annum. There are no restrictions on bank balances at the time of approval of the condensed interim separate and consolidated financial information.

14. Share capital

	<u>Parent</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>
Authorised share capital	21,000,000	21,000,000
Issued and paid up share capital	20,000,000	20,000,000

The authorised share capital of the Parent Company represents 210,000,000 (2024: 210,000,000) ordinary shares of RO 0.100 each and issued and paid up share capital of the Parent Company represents 200,000,000 ordinary shares of RO 0.100 each.

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

	<u>% Share holding</u>		<u>Shares held</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
Abu Dhabi Fund for Development, UAE	15.00	15.00	30,000,000	30,000,000
Social Protection Fund	14.97	14.97	29,946,009	29,946,009
Islamic Development Bank	11.71	11.71	23,415,000	23,415,000
Dolphin International	10.33	10.33	20,657,710	20,657,710
Schwenk Cement Nederland B.V.	10.00	10.00	20,001,001	20,001,001
	62.01	62.01	124,019,720	124,019,720
Others	37.99	37.99	75,980,280	75,980,280
	100.00	100.00	200,000,000	200,000,000

15. Share premium

In the years 1988, 1994, 2005 and 2006, the Parent Company made an offering of shares to the public at a premium. As a result of these offerings, a share premium account with an amount of RO 13,456,873 was established. Share premium account is not available for distribution.

16. Legal reserve

Commercial Companies Law of the Sultanate of Oman, 2019 requires that 10% of the Parent Company's net profit be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's issued share capital

17. Asset replacement reserve

The Board of Directors have resolved that 5% of the Parent Company's net profit for the year be transferred to a reserve for the purpose of replacement of capital assets until the amount together with any other voluntary reserves reach one half of the Parent Company's issued capital. During the year, the Board of Directors resolved to transfer the reserve to retained earnings.

18. Voluntary reserve

The Board of Directors have resolved that 10% of the Parent Company's net profit to be transferred to voluntary reserve. During the year, the Board of Directors resolved to transfer the reserve to retained earnings.

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19. Borrowings

	Parent		Consolidated	
	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024
	(unaudited)	(audited)	(unaudited)	(audited)
	RO	RO	RO	RO
Non-current portion				
Bank Nizwa SAOG	9,965,726	10,265,726	9,965,726	10,265,726
Bank Dhofar SAOG	2,700,241	2,700,000	2,700,241	2,700,000
Sohar International Bank	3,173,497	3,647,354	3,173,497	3,647,354
Ahli Bank SAOG	1,697,743	1,770,000	5,846,404	5,996,841
Alizz Bank	-	-	4,686,068	4,773,611
Taageer Finance	539,349	613,708	1,288,695	1,431,450
SME Development Fund	375,279	731,453	375,279	731,453
	18,451,835	19,728,241	28,035,910	29,546,435
Current portion				
Bank Nizwa SAOG	1,200,000	900,000	1,200,000	900,000
Bank Dhofar SAOG	1,200,000	1,800,000	1,200,000	1,800,000
Sohar International Bank	934,183	934,183	934,183	934,183
Al Masraf Bank	-	-	8,338,611	8,718,145
Ahli Bank SAOG	510,000	750,000	733,026	939,920
Loan from a subsidiary company	6,154,943	6,534,477	-	-
Taageer Finance	144,236	135,541	263,929	241,237
SME Development Fund	694,216	658,875	694,216	658,875
Accrued interest	613,679	880,572	1,155,434	1,200,201
	11,451,257	12,593,648	14,519,399	15,392,561
	29,903,092	32,321,889	42,555,309	44,938,996

Parent

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

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

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

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

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

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

Subsidiary Companies

Pioneer Cement Industries, UAE

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

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19. Borrowings (continued)

Sohar Cement Factory SPC, Oman

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

Duqm Cement Factory LLC, Oman

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

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

20. Lease liabilities

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Current	329,984	329,984	567,755	581,174
Non-current	1,934,951	2,099,943	5,779,049	5,969,121
	2,264,935	2,429,927	6,346,804	6,550,295

21. Income tax

The Company is subject to income tax at the rate of 15% of the taxable income in accordance with the Income Tax Law of the Sultanate of Oman (2024: 15%).

Separate and consolidated statement of comprehensive income

The tax charge for the year is analysed as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Current tax				
- current year	-	-	-	(1,497)
- prior year	-	-	(1,304)	-
	-	-	(1,304)	(1,497)

Separate and consolidated statement of financial position

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Current liability				
Income tax payable	-	-	77,250	153,059
Non-current				
Deferred tax assets	-	-	140,692	242,722
Deferred tax liability	(3,870,401)	(4,089,009)	(3,870,401)	(4,089,009)

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21. Income tax (continued)

Separate and consolidated statement of financial position (continued)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024: 15%). Net deferred tax liability in statement of financial position and the net deferred tax charge in the statement of comprehensive income are attributable to the following items:

30 June 2025			
Parent	01-Jan-2025	Charge/(credit)	31-Mar-2025
	RO	for the period	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax effect of revaluation of PPE	(2,357,401)	-	(2,357,401)
Tax effect of losses	2,576,009	-	2,576,009
Net deferred tax liability	(3,870,401)	-	(3,870,401)
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax effect of revaluation of PPE	(3,140,903)	-	(3,140,903)
Tax effect of losses	2,576,009	-	2,576,009
Net deferred tax liability	(4,653,903)	-	(4,653,903)
Deferred tax liability relating to Parent Company			(4,653,903)
Deferred tax liability relating to subsidiary company			199,084
Deferred tax Asset relating to subsidiary company			140,692
			(4,314,127)
Relating to the acquisition of Raysut Maldives.			
31 December 2024			
Parent	01-Jan-2024	Charge/(credit)	31-Dec-2024
	RO	for the year	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax effect of revaluation of PPE	-	(2,357,401)	(2,357,401)
Tax effect of losses	2,576,009	-	2,576,009
Tax effect of losses	-	-	-
Net deferred tax liability	(1,513,000)	(2,357,401)	(3,870,401)
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for doubtful debts	253,919	-	253,919
Tax effect of revaluation of PPE	(3,140,903)	-	(3,140,903)
Tax effect of losses	2,576,009	-	2,576,009
Net deferred tax liability	(4,653,903)	-	(4,653,903)
Deferred tax liability relating to Parent Company			(4,653,903)
			(4,653,903)
*Relating to the acquisition of Raysut Maldives.			
Deferred tax liability relating to Parent Company			(4,653,903)
Deferred tax assets relating to one of subsidiary company			125,165
			(4,528,738)

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22. End of service benefits

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	676,423	710,303	1,201,207	1,293,756
Charge for the period/year	-	-	26,722	37,182
Paid during the period/year	(8,284)	(33,880)	(26,325)	(129,731)
	668,139	676,423	1,201,604	1,201,207

23. Trade and other payables

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Trade payables	17,220,949	18,796,297	19,375,791	22,321,848
Due to related parties [note 38(c)]	3,953,136	3,810,771	51,500	19,500
Accrued expenses	8,874,045	6,036,394	11,173,543	5,894,158
Customer advances	1,361,656	1,557,833	1,726,703	2,062,268
VAT	-	-	41,040	14,736
Other payables	115,568	269,139	547,981	706,934
	31,525,354	30,470,434	32,916,558	31,019,444

23.1 Payable to gas suppliers

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Payables as per billing	39,151,185	38,412,868	39,151,185	38,412,868
Accrued expense	9,774,319	9,702,420	9,774,319	9,702,420
	48,925,504	48,115,288	48,925,504	48,115,288

24. Short term borrowings

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Short term loan	6,013,144	5,776,335	7,797,925	7,338,143
Overdrafts	1,504,198	1,107,409	1,504,198	1,107,409
	7,517,342	6,883,744	9,302,123	8,445,552

Parent Company

Short term loans and overdrafts are obtained from commercial banks carrying an interest rate of 6.25% to 7.5% (2024: 6% to 6.5%) per annum for a period of 180 days. The loan is secured by the pledge of following securities:

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

Subsidiary Company

Short term loan is obtained from commercial banks carrying an interest rate of 7% (2024: 6%) per annum for a period of 180 days.

25. Revenue from contracts with customers

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Local sales	8,772,707	7,802,738	29,046,582	22,607,121
Export sales	12,866,989	9,358,232	12,357,451	8,964,578
	21,639,696	17,160,970	41,404,033	31,571,699

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26. Cost of sales

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Raw materials consumed	1,682,489	995,538	7,540,507	5,607,969
Packing materials	934,865	648,566	1,272,022	1,068,552
Spares and consumables	779,588	788,212	1,330,341	1,387,687
Fuel, gas and electricity	8,273,236	7,367,456	15,135,911	11,922,916
Staff costs [note 28]	2,438,824	2,352,232	3,191,107	3,071,742
Depreciation	2,054,311	1,921,290	3,016,922	2,987,602
Depreciation on right-of-use assets	90,444	90,444	164,197	164,002
Other factory overheads	990,839	994,361	2,331,102	1,980,595
Purchased cement	-	-	617,574	132,923
Provision for slow moving spares	60,000	60,000	75,780	75,780
Movement in finished and semi-finished goods	1,567,449	(878,988)	1,688,620	501,066
	18,872,045	14,339,111	36,364,083	28,900,834

27. General and administrative expenses

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Staff costs [note 28]	1,132,732	1,222,314	1,631,137	1,756,584
Directors' fees and remuneration [note 38(f)]	93,100	17,743	99,395	17,743
Recruitment, training and seminars	1,300	3,780	1,300	3,780
Advertisement and business promotion	2,355	2,965	6,190	2,965
Travelling expenses	62,568	72,994	78,562	80,102
Communication expenses	35,041	13,599	59,526	38,555
Rent and utilities expenses	45,783	47,859	107,348	105,238
Depreciation	27,503	98,283	69,050	151,863
Depreciation of right-of-use assets	-	-	34,880	34,880
Professional fees	336,997	196,550	414,715	202,702
Legal expenses	59,296	63,984	60,096	155,825
Bank charges	12,065	4,809	111,269	18,929
Miscellaneous expenses	50,519	31,815	126,640	75,185
	1,859,259	1,776,695	2,800,108	2,644,351

28. Staff costs

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Wages and salaries	3,200,751	2,983,069	4,179,602	3,800,245
Other benefits	153,939	401,641	365,974	773,992
Social security expense	216,866	189,836	249,946	224,863
End of service benefits [note 22]	-	-	26,722	29,226
	3,571,556	3,574,546	4,822,244	4,828,326

Staff costs are allocated as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost of sales [note 26]	2,438,824	2,352,232	3,191,107	3,071,742
General and administrative expenses [note 27]	1,132,732	1,222,314	1,631,137	1,756,584
	3,571,556	3,574,546	4,822,244	4,828,326

29. Selling and distribution expenses

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Transport charges	682,497	458,317	931,755	708,574
Export expenses	1,267,378	1,027,844	1,267,378	1,027,844
Shipping/terminal expenses	218,750	160,753	218,750	160,753
Depreciation on right-of-use assets	21,757	21,757	21,757	21,757
Others	-	-	24,537	70,629
	2,190,382	1,668,671	2,464,177	1,989,557

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30. Other income

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Other miscellaneous income	331	7,264	70,457	22,527
	331	7,264	70,457	22,527

31. Finance cost - net

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Interest expense on borrowings	1,262,297	1,904,719	1,930,454	2,576,794
Interest on overdrafts and others	230,000	80,000	230,000	80,000
Interest on lease liabilities	77,150	82,320	226,584	234,529
Net exchange (gain) / loss	(4,292)	(1,074)	(4,926)	3,270
	1,565,155	2,065,965	2,382,112	2,894,593

32. Investment income

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Dividend income on financial assets at FVTPL	158,348	143,321	158,348	143,321
	158,348	143,321	158,348	143,321

33. Net assets per share

Net asset per share is calculated by dividing the net assets at the end of the reporting period by the number of shares outstanding at that day as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
Net assets (RO)	(1,509,065)	1,665,857	5,796,315	8,672,851
Number of shares outstanding	200,000,000	200,000,000	200,000,000	200,000,000
Net asset per share (RO)	(0.008)	0.008	0.029	0.043

34. Basic and diluted loss per share

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
Net loss for the period (RO)	(3,174,922)	(2,479,540)	(2,876,536)	(4,616,042)
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
Basic and diluted loss per share	(0.016)	(0.012)	(0.014)	(0.023)

35. Commitments

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Capital commitments				
Civil and structural	21,760	21,760	2,810,284	21,760
Plant and machinery	22,100	22,100	22,100	22,100
Others	5,500	5,500	5,500	5,500
	49,360	49,360	2,837,884	49,360
Purchase commitments	1,477,149	1,477,149	4,093,605	4,093,605

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

36. Contingent liabilities

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Letters of credit	491,416	491,416	4,608,649	4,608,649
Guarantee and performance bond	490,000	490,000	533,658	533,658
	981,416	981,416	5,142,307	5,142,307

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37. Cash and cash equivalents

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cash in hand	8,417	10,729	22,715	43,424
Cash at bank :				
Current accounts	243,115	775,212	1,843,915	1,894,669
Call deposits	-	476,525	-	476,525
Restricted Cash	-	-	(74,929)	-
Total cash and bank balances [note 13]	251,532	1,262,466	1,791,701	2,414,618
Bank overdrafts [note 24]	(1,504,198)	(524,572)	(1,504,198)	(524,572)
Cash and cash equivalents	(1,252,666)	737,894	287,503	1,890,046

38. Related party transactions and balances

Related parties include the shareholders, key management personnel, subsidiaries, associates and entities under common control. The Group has entered into transactions with its executive officers, directors, subsidiaries, associates and entities in which certain directors of the Group have an interest. In the ordinary course of business, the Group sells goods to related parties and purchases goods from, occupies the premises of and receives services from related parties. These transactions are entered into at mutually agreed terms and conditions.

Amounts due from related parties at the end of the reporting period are as follows:

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	1,075,773	1,098,163	1,075,773	1,098,163
Less: Allowance for impairment	(12,799)	(12,799)	(12,799)	(12,799)
Related parties:				
Raysut Maldives	398,265	347,428	-	-
Less: Allowance for impairment	(4,049)	(4,049)	-	-
Sohar Cement Factory	105,501	-	-	-
Less: Allowance for impairment	-	-	-	-
Raysut Madagascar	1,724,998	1,724,998	-	-
Less: Allowance for impairment	(1,724,998)	(1,724,998)	-	-
RCC Trading DMCC	10,580,115	10,580,115	10,580,115	10,580,115
Less: Allowance for impairment	(10,580,115)	(10,580,115)	(10,580,115)	(10,580,115)
	1,562,691	1,428,743	1,062,974	1,085,364

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Related parties:				
Raysea Navigation S.A	2,322,719	2,322,719	2,322,719	2,322,719
Less: Allowance for impairment	(2,322,719)	(2,322,719)	(2,322,719)	(2,322,719)
Sohar Cement Factory SPC	549,473	590,007	-	-
Less: Allowance for impairment	(6,877)	(6,877)	-	-
RCC Trading DMCC	10,475,564	10,475,564	10,475,564	10,475,564
Less: Allowance for impairment	(10,475,564)	(10,475,564)	(10,475,564)	(10,475,564)
RCC Holding Company	78,208	78,208	78,208	78,208
Less: Allowance for impairment	(78,208)	(78,208)	(78,208)	(78,208)
RCC MSG Somaliland	32,963	32,963	32,963	32,963
Less: Allowance for impairment	(32,963)	(32,963)	(32,963)	(32,963)
Duqm Cement Factory LLC	7,107,028	6,876,011	-	-
Less: Allowance for impairment	(5,791,859)	(5,791,859)	-	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	2,895,178	2,895,178	2,895,178	2,895,178
Less: Allowance for impairment	(2,895,178)	(2,895,178)	(2,895,178)	(2,895,178)
	1,857,765	1,667,282	-	-

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

38 (c) Due to related parties:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>	<u>30-Jun-2025</u>	<u>31-Dec-2024</u>
	<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Subsidiary Companies:				
Pioneer Cement Industries	3,762,045	3,649,080	-	-
Raysut Burwaqo Cement Co. LLC	139,591	142,191	-	-
Board of Directors:				
Board of Directors	51,500	19,500	51,500	19,500
	3,953,136	3,810,771	51,500	19,500

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38. Related party transactions and balances (continued)

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Sale of goods and services:				
Subsidiary Companies:				
Raysut Maldives Cement (Pvt) Ltd	509,538	393,654	-	-
Sohar Cement Factory SPC	341,814	-	-	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	2,332,891	1,855,229	2,332,891	1,855,229

38 (e) Key management compensation:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>	<u>30-Jun-2025</u>	<u>30-Jun-2024</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Board sitting fees [note 27]	92,500	17,743	95,648	17,743
Directors' other expenses [note 27]	600	-	600	-
Directors' remuneration [note 27]	-	-	3,147	-
	93,100	17,743	99,395	17,743
Salaries, allowances and performance bonus paid to Executive officers	132,351	93,642	132,351	93,642
End of service benefits	5,310	2,625	5,310	2,625
	137,661	96,267	137,661	96,267

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).