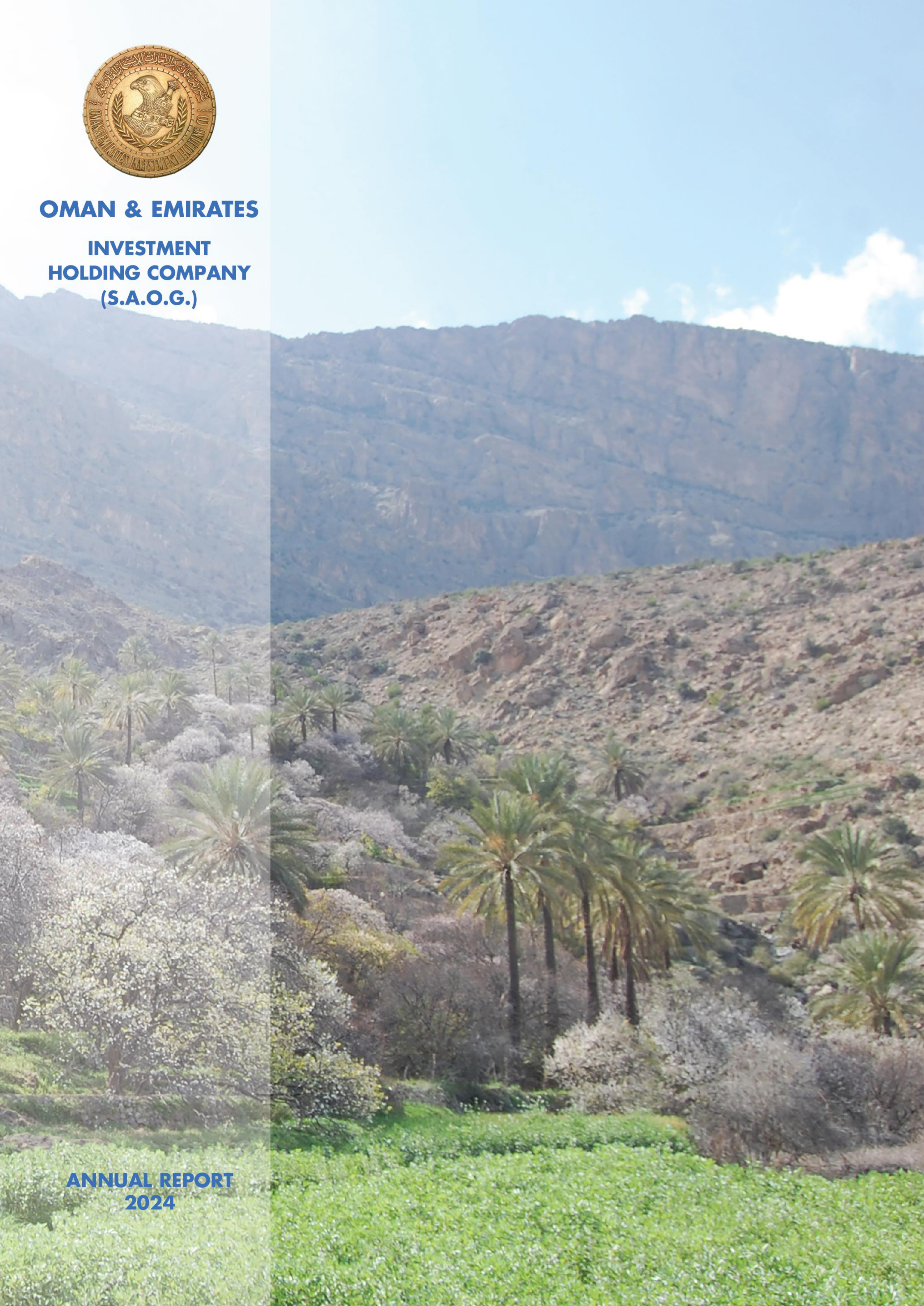
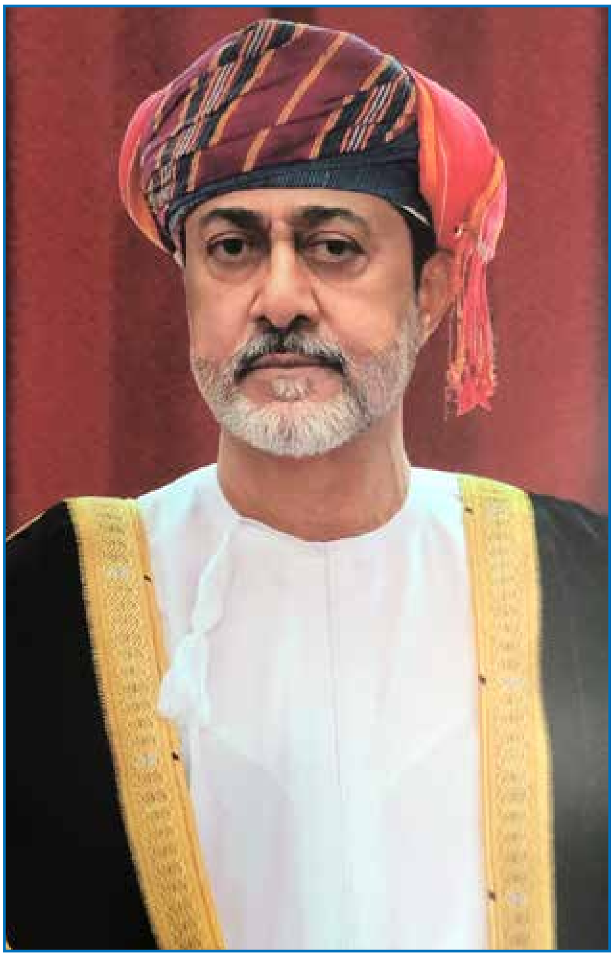
OMAN & EMIRATES

INVESTMENT HOLDING COMPANY (S.A.O.G.)



ANNUAL REPORT
2024



His Majesty Sultan Haitham Bin Tariq
Sultan of Oman

His Highness Sheikh Mohammed Bin Zayed Al Nahyan
President of the United Arab Emirates

CONTENTS

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Tel: (971) 26266443

BOARD OF DIRECTORS

Mr. Mohamed Abdulla Al Khonji
Chairman

Dr. Abdullah Masoud Al Harthy
Vice Chairman

Mr. Abdul Aziz Al Harthy
Director

Mr. Khalid Masoud Ansari
Director

Mr. Hassan Saddiq Abdawani
Director

Nomination, Remuneration and Executive Committee

Dr. Abdullah Al Harthy	Chairman
Mr. Mohamed Al Khonji	Member
Mr. Abdul Aziz Al Harthy	Member

Audit & Internal Risk Controls Committee

Mr. Khalid Masud Ansari	Chairman
Mr. Abdul Aziz Al Harthy	Member
Mr. Hassan Saadiq Abdawani	Member

INTERNAL AUDITOR

Internal Audit function was outsourced to HC Shah starting from 1 January 2024 until 31 December 2024

Mr. Raffy Kozadjian
Acting Chief Executive Officer

Dr. Saeed Hilal Al Kharousi
Manager Administration & Investor Relation
Board Secretary

Mr. Shah Abbas Jaffer Rizvi
Financial Controller

Honorable Shareholders,

On behalf of the Board of Directors of Oman & Emirates Investment Holding Company (O&E), I present the Annual Report for 2024 containing the audited financial statements for the year ended 31 December 2024. An overview is provided below on the macroeconomic and business environment the Company faced during the year, the challenges encountered, the mitigating actions taken and the overall financial performance.

Business Environment in Retrospect

Economic growth in the GCC region rose to 3.7% in 2024 and is expected to accelerate in the coming years, rising to 4.5% in 2025 and, according to the GCC Statistical Center, the region's GDP is expected to grow 3.5% in 2026. This accelerated growth was attributed to an increase in oil production in the coming two years and a continued recovery in key sectors including tourism, transportation and infrastructure. The report also expects the GCC region's growing non-oil sector to significantly boost GDP growth going forward.

Oman's economy maintained steady growth in 2024, supported by a strong performance in non-petroleum activities, despite a decline in oil sector revenues and foreign direct investment flows which reflects weaker investor sentiment. Oman needs to attract more foreign capital and strengthen trade partnerships. The inflation rate averaged 1%, indicating stable consumer prices.

By the end of 2024, MSX Index recorded a growth of 1.4%, ADX a decline of 1.7% and DFM showed a growth of 27.0% compared to 2023 during which MSX recorded a decline of 7.1%, ADX a decline of 6.2% and DFM a growth of 21.7% respectively. The stock market is viewed as an indicator of economic growth, a vital part in monetary policy and its stability or volatility is monitored as a development indicator.

Financial Strategy during 2024

Cash flow management was the highest priority during 2024. Management maintained a balanced financial strategy between reduction in costs and bank borrowings and providing financial support to enable implementation of the turnaround plans of three investee companies. This has been a year of strategic decision-making, with a focus on stabilizing and strengthening our portfolio of investments. We have taken proactive steps to support a Subsidiary and Associates facing financial challenges, ensuring long-term value creation for our Shareholders.

For over two decades, the Company and its Shareholders benefitted from the interest-free Soft Loan extended by the two Governments. The fifth tranche was due in November 2024, but negotiations are being held to reschedule the outstanding RO 5 million over a longer period.

Financial Performance

The results of the Company's investments are outlined in greater detail in the body of this Annual Report. A snapshot of the Group's financial statements for 2024, consolidating the results of the Parent Company, its Subsidiaries and Associates of reflects the sustained efforts in handling business challenges under the prevailing economic environment. The performance highlights during 2024 are summarized as follows:

- The Group recorded a Net Profit of RO 363,085 during 2024 attributable to owners of the Parent Company compared to a Net Profit of RO 179,933 during 2023. The Parent Company achieved a Net Profit of RO 701,012 during 2024 compared to a Net Profit of RO 346,334 during 2023.

- The Shareholders' Equity increased slightly to RO 22.784 million as of 31 December 2024 from RO 22.421 million as of 31 December 2023, against Share Capital of RO 12,187,500, registering an increase in equity of 1.62%.

- The aggregate value of the Group's investments decreased to RO 30.902 million as of 31 December 2024 from RO 31.176 million as of 31 December 2023.

- The Parent Company's total borrowings reduced from RO 7.655 million as of 31 December 2023 to RO 7.127 million as of 31 December 2024 and consist of RO 5.0 million Government Soft Loan, bank loans for operations amounting to RO 1.441 million and the Head Office Building Loan of RO 0.686 million.

- Against the Net Equity of RO 24.351 million of the Parent Company, the Debt-to-Equity Ratio stood at 0.29 at end 2024, down from 0.32 in 2023.

In summary, the Parent Company performed better than 2023 with higher than expected income from dividends, lower costs and better anticipated results from Associates, particularly from Oman Fibre Optic Co. SAOC. Despite the massive impact of a very challenging prevailing environment over the past years, the Company's overall financial structure is now better balanced to face future sustained income uncertainties. The investment environment presents opportunities that we have now started exploring.

Results of the Group

The following table provides the Company's financial development snapshot showing the earnings per share and gearing ratios over the past five years:

RO in Million

Particulars	2020	2021	2022	2023	2024
Equity Share Capital	12.187	12.187	12.187	12.187	**12.187**
Net Equity	19.551	21.073	23.157	22.421	**22.784**
Investments	43.771	38.690	32.540	31.176	**30.902**
Net Profit / (Loss) Before Tax	(1.931)	2.168	1.774	0.402	**0.363**
Book value per share – RO	0.160	0.173	0.190	0.184	**0.187**
Earnings per share – RO	(0.014)	0.013	0.017	0.0015	**0.003**
Debt/ Equity Ratio	1.26	0.79	0.40	0.32	**0.29**

Investment Portfolio at Year End

The Management Discussion & Analysis Report describes the sectoral diversification of the Parent Company's portfolio. As of the reporting date, the Company's total investment portfolio carries a value of RO 28.88 million, of which RO 24.88 million (86%) is concentrated in four key assets: 33.91% in tourism and hotels, 20.38% in the banking sector, 18.86% in fiber optic manufacturing, and 12.86% in asset management companies. The remaining RO 4.0 million is diversified across various other sectors, ensuring a balanced approach to risk management and long-term growth opportunities.

Management will continue to prioritize reshuffling the portfolio with asset classification by risk and liquidity (e.g. equities/ stocks, fixed income/ bonds and cash equivalent or money market instruments) and building a portfolio base consisting of readily liquid with regular income and return generating assets.

Strategic Support for Distressed Investments

As part of our commitment to sustainable growth and responsible investment management, the Board resolved to provide financial and operational support to three key portfolio companies undergoing financial distress. These strategic interventions are designed to restore viability and enhance value creation for our Shareholders.

1. **Omani Euro Food Industries Co. SAOG**

   Our Subsidiary, engaged in the production of baby food products, has been facing significant operational and financial difficulties. The Board endorsed a comprehensive turnaround plan aimed at streamlining production processes, enhancing brand positioning, and optimizing cost structures. Strategic initiatives, including process efficiencies, product innovation, and targeted marketing efforts, will be implemented to reposition the company for sustainable profitability. O&E holds 80.84% stake in this subsidiary.

2. **National Aluminium Products Co. SAOG**

   This aluminum extrusion investee company, where O&E holds 13.3% stake, has been challenged by liquidity constraints and an unsustainable debt burden on the verge of shutting down. In response, jointly with its board, we have engaged all year long with government agencies for support not to let this unique manufacturing company fall, with financial institutions to negotiate and secure a viable debt restructuring arrangement and with other major shareholders to contribute additional funding, the latter being a condition precedent imposed by the banks to restructure outstanding obligations and the government to extend facility. The Board, along with the other major shareholder, has approved a capital injection plan to support working capital needs and stabilize operations, ensuring that the company can capitalize on market opportunities while restoring financial health.

   Aluminium demand is expected to rise, particularly for renewable energy projects and construction, presenting opportunities for Oman's aluminum sector to expand exports.

3. **Oman Hotels & Tourism Co. SAOC:**

   Our associate company in the tourism sector, where we hold 31.72% stake, is in the process of remodeling a key hotel property to enhance its competitive positioning.

However, delays in project completion due to funding constraints have impacted progress. Recognizing the potential long-term value of this investment, the Board has approved financial support to facilitate the timely completion of the remodeling efforts. This will enable the company to enhance its service offerings, attract premium clientele, and improve revenue generation in a recovering travel market.

This being an associate company, the forthcoming Annual General Meeting includes a Related Party Transaction agenda item being presented for approval in compliance with the ninth principle of the Code.

Commitment to Sustainable Growth

While addressing these challenges, our focus remains on maximizing shareholder value through prudent capital allocation, risk management, and operational excellence. The Board is confident that these strategic interventions will yield positive results, restoring financial health and driving long-term returns across our investment portfolio.

Disclaimer of Opinion on the financial statements of a Subsidiary (FINCORP)

During the year ended 31 December 2024, the auditors of our Subsidiary, The Financial Corporation (FINCORP), issued a disclaimer of opinion on the Subsidiary's financial statements. The disclaimer was issued due to the auditors being unable to obtain sufficient appropriate audit evidence to verify the Subsidiary's payable and receivable balances as of 31 December 2024, primarily because of incomplete confirmation procedures. The affected balances primarily relate to "Trade and Other Receivables" stated at RO 0.902 million and "Trade and Other Payables" stated at RO 0.771 million, which were impacted due to identified inappropriate transactions that continue to be verified by an independent forensic audit firm appointed by the Board of FINCORP. However, based on the findings of the forensic auditors to date, FINCORP has made a provision of RO 600,000.

Despite these uncertainties, all other assets, including bank balances and cash of RO 1.6 million and investments of RO 5.9 million, amounting to a total of RO 7.5 million, are correctly stated. FINCORP's net equity stands at RO 7.09 million as per the reported financial statements.

We have disclosed the nature of the disclaimer and the associated uncertainties in our consolidated financial statements. We acknowledge the impact of these discrepancies and would like to assure Shareholders that this matter is being actively addressed. The board and Management of FINCORP are working diligently to resolve the issue, and we anticipate that the verification of these balances will be completed during 2025. The board of FINCORP is committed to strengthening internal controls to prevent recurrence and enhance financial transparency.

While this matter has introduced some uncertainty, in the worst-case scenario outcome, it may reduce the Parent Company's investment in FINCORP to the maximum extent of RO 3.6 million out of a Net Equity of RO 24.3 million as of 31 December 2024. We will continuously update the shareholders on the above matter during our quarterly reporting.

Head Office building

The Head Office building is occupied by reputed tenants on long-term tenancy agreements, but a few vacant units remain to be filled.

Corporate Governance

Management continues to uphold the sound corporate culture established in the Company as manifested by shared values and transparent governing policies. Our Company's governance system has been fully integrated with ethical business practices, which meet the high standards expected by the Authorities.

Internal Control Systems and their adequacy

The Company has a robust internal audit system and strict adherence is monitored to ensure compliance with the procedures and operating systems. There was no breach of internal control during 2024.

Global Outlook 2025 and Sector Specific Trends

The Board recognizes key uncertainties and risks that may impact on our investment strategy and portfolio performance. Looking ahead to 2025, the global economic landscape remains dynamic, shaped by key macroeconomic trends, geopolitical shifts, and technological advancements. On sector specific trends:

- The baby food sector is expected to witness increased demand due to rising health-conscious consumer preferences and demographic shifts. Companies that emphasize innovation, sustainability, and digital distribution will have a competitive edge.

- The aluminum market is poised for growth, supported by the renewable energy transition and infrastructure investments. However, supply chain disruptions and raw material costs will remain key concerns.

- Oman's tourism sector is set to expand with major infrastructure projects, including luxury resorts, eco-tourism initiatives, and cultural heritage developments. Hotels that enhance customer experience and leverage technology will gain a competitive advantage.

- The banking industry is expected to maintain stable growth driven by digital transformation and increasing financial inclusion, but interest rate fluctuations will influence profitability.

- The demand for fibre optic infrastructure is set to rise significantly due to the acceleration of 5G networks, smart city initiatives, and digital transformation across industries. Increased investment in high-speed broadband and data centers will drive expansion in this sector.

The investment environment presents both challenges and opportunities, requiring strategic agility and resilience. Starting 2025, the objective remains to ensure predictable and stable cash flows to cover all operating costs and start investing to achieve capital growth that reflects consistent earnings per share.

People

On behalf of the Board, I express appreciation for the dedication and the transformational results delivered by the Executive Management and all employees of the Company during the difficult times experienced by the world over the past years. The Company embraced a working environment and a culture that focused sharply on transformation and sustainability.

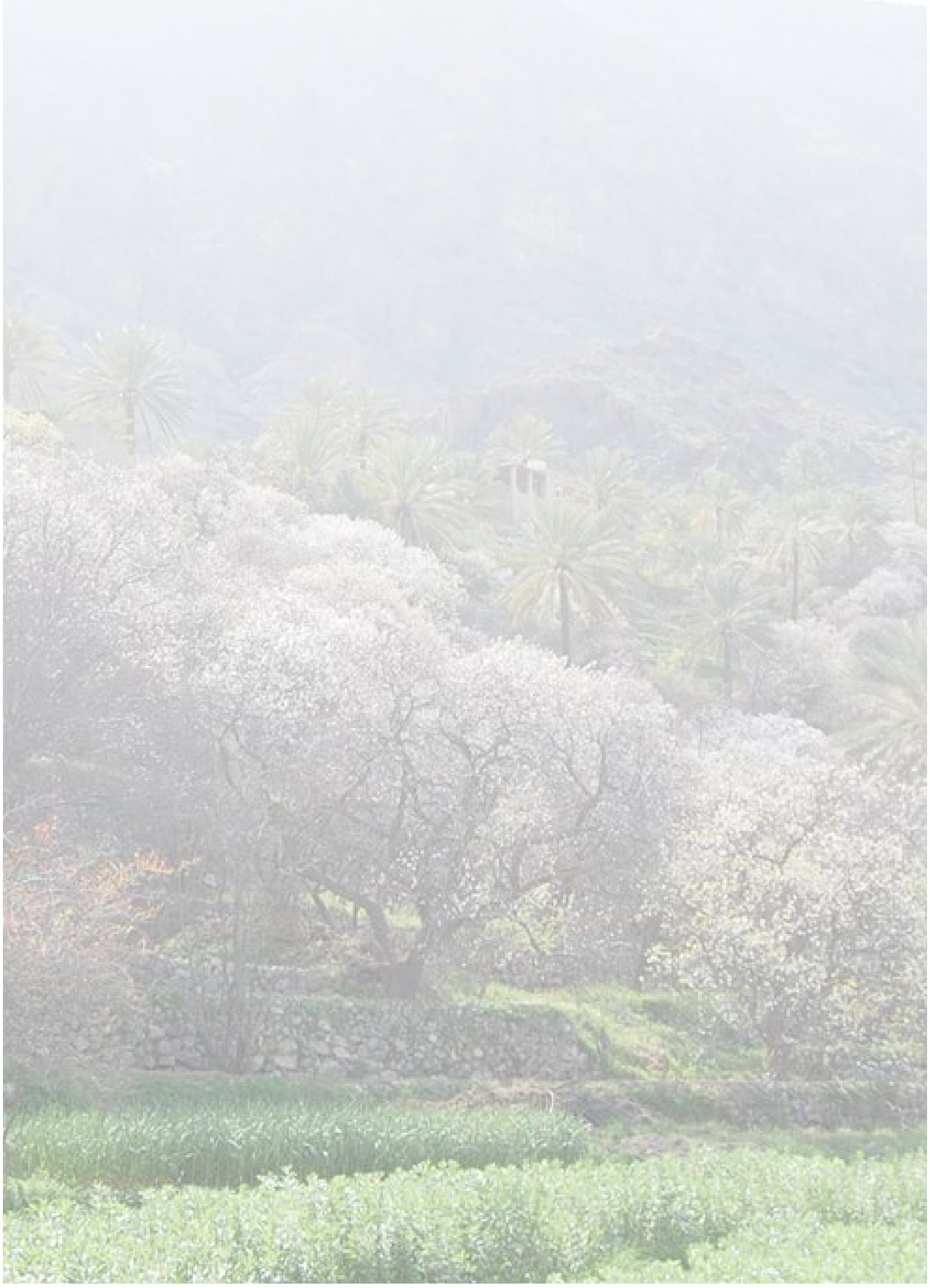
Acknowledgment

On behalf of the Board, I express our sincere gratitude to His Majesty Sultan Haitham Bin Tarik, Sultan of Oman, and His Highness Sheikh Mohammed Bin Zayed Al Nahyan, President of the United Arab Emirates, for their support. May God's grace be bestowed on them towards having a good health and long life to achieve greater success in all their endeavours.

I also take this opportunity to convey our heartfelt gratitude to the Governments of the Sultanate of Oman and United Arab Emirates, to the Financial Services Authority, banks for their support, and to Shareholders for their continued involvement with the Company.

Mohamed Abdulla Al Khonji
Chairman

12th March 2025



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Sultanate of Oman

**AGREED-UPON PROCEDURES REPORT ON CODE OF CORPORATE GOVERNANCE
TO THE SHAREHOLDERS OF OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG**

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Oman and Emirates Investment Holding Company SAOG ("the Company") in determining whether the Company is compliant with the Code of Corporate Governance ("the Code") of the Financial Services Authority ("FSA"), as prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 and may not be suitable for another purpose.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company (also the Responsible Party) is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioners' Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or sufficiency of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical and independence requirements in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements* and, accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

AGREED-UPON PROCEDURES REPORT ON CODE OF CORPORATE GOVERNANCE
TO THE SHAREHOLDERS OF OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG

Procedures and Findings

We have performed the procedures described below, which were agreed-upon with the Company in the terms of our engagement letter on the compliance with the requirements of the Code and report to you the findings resulting from our work:

S. No	Procedures	Findings
(a)	We obtained the Corporate Governance Report ("the Report") issued by the Board of Directors and compared it to Annexure 3 of the Code to determine whether the Report includes as a minimum, all items suggested by the FSA in Annexure 3.	No exceptions were noted.
(b)	We obtained the details regarding the areas of non-compliance with the Code identified by the Company's Board of Directors, included in the Report in the section "Details *of non-compliance by the Company*", together with the reasons for such non-compliance for the year ended 31 December 2024.	No exceptions were noted.

BDO
Muscat
13 March 2025

B. Kapur
Bipin Kapur
Partner
M. No: 043615
Institute of Chartered Accountants of India

1. Company's Philosophy on Code of Corporate Governance

1.1. The Management of Oman & Emirates Investment Holding Co SAOG (O&E) believes that setting the highest standards of Corporate Governance, as envisioned by Financial Service Authority (FSA) in the Code of Corporate Governance (Code) is not a matter of mere compliance, but a useful mechanism to restructure core corporate values. Its implementation achieves an efficient, impartial and ethical system of functioning at Top Management, keeping in view the overall interests of the shareholders. The mandatory disclosure requirements, as set out in the Code, not only enhances the degree of transparency in sharing of information with Stakeholders but also reinforces the broader role the Directors play in achieving corporate objectives amidst challenges and adversities. O&E's governance system has been fully integrated with ethical business practices and sound corporate culture manifested by values and transparent governing policies.

1.2. This report is prepared by the Management in accordance with the guidelines of the Code issued by the FSA vide Circular No. E/4/2015 dated 22 July 2015 as amended by Circular E/10/2016, dated 1 December 2016.

2. Board of Directors

2.1 Composition of the Board

The Board comprises five members pursuant to Article No. 7 of the Articles of Association of the Company nominated by Shareholders.

2.2 Functions of the Board of Directors

a) The Board of Directors is at the helm of the Company's affairs, monitors the business activities and extends strategic guidance to Management in realizing the mission of the Company. The day-to-day management is delegated by the Board to an Acting Chief Executive Officer who carries out the assigned duties through Executives heading the various functions of the Company.

b) The Board's duties and responsibilities encompass wide variety of functions in managing the affairs of the Company, and more specifically those detailed under Principle 3 of the Code. A summary is given below:

(1) Approval of business plans, financial objectives, financial policies, investment strategies, action plans, internal regulations, and implementation guidelines.

(2) Review of the operational and financial performance of the Company and the performance of the Company's investments and trading, if any, at periodic intervals.

(3) Overview of the performance of Subsidiaries, Associates and project companies including their respective financial requirements in extending the support that may be required.

(4) Approval of financial statements and other reports for submission to Shareholders and other authorities as prescribed by the laws of the Country.

(5) Fixing up authority levels and delegation of power to the Executive Management.

(6) Implementation of a transparent disclosure policy, including all transactions with Directors and the Related Parties and monitor compliance.

(7) Reviewing material transactions with the Related Parties, which are not in the ordinary course of business, prior to these being raised before the general meeting of the Company.

(8) Ensure compliance with the laws of the country through proper internal control systems.

(9) Nomination of Executive, Audit and other committees, specifying their roles, responsibilities and powers.

(10) Selection of Chief Executive Officer and key management positions.

(11) All other matters specifically not delegated to the committees and Executive Management.

2.3. Past Directors as at 31.12.2024

Details of the past Directors holding who held their office up to 28 March 2024 and a new member elected on 28 March 2024 till 5th November 2024.

1. Mr. Mohamed Darwish Al Khoori **Chairman** Executive Director, Operations Department, Abu Dhabi Investment Authority, UAE • Non-Executive/ Non-Independent Director • Chairman of other Boards - 1 • Member of other Boards - 1 • Member of other Board Committees - Nil • Attended 2 out of 10 Board meetings held during the year • Attended AGM	**2. Mr. Saed Saif Nasir Al Saadi** **Vice Chairman** Director of Government Properties, Ministry of Finance, Oman • Non-Executive/ Independent Director • Chairman of other Boards - Nil • Member of other Boards - 2 • Member of other Board Committees - 2 • Attended 2 out of 10 Board meetings held during the year • Attended AGM
3. Mr. Ahmed Salem Al Neyadi Investment Associate, Abu Dhabi Investment Authority, UAE • Non-Executive /Independent Director • Chairman of other Boards - Nil • Member of other Boards - Nil • Member of other Board Committees - Nil • Attended 2 out of 10 Board meetings held during the year • Attended AGM	**4. Mr. Jabara Mohamed Al Marar** Executive Financial Control Team, Abu Dhabi Investment Authority, UAE • Non-Executive / Independent Director • Chairman of other Boards - Nil • Member of other Boards - Nil • Member of other Board Committees - Nil • Attended all 1 out of 10 Board meetings held during the year • Attended AGM
5. Mr. Salem Taman Al Mashani Chief Executive Officer, Dhofar Poultry Company SAOG • Non-Executive / Independent Director • Chairman of other Boards - Nil • Member of other Boards - 1 • Member of other Board Committees - 1 • Attended 2 out of 10 Board meetings held during the year • Attended AGM	**6. Mr. Majid Akbar Qamarudeen** Managing Partner, Knightsbridge • Non-Executive / Independent Director • Chairman of other Boards - Nil • Member of other Boards - 1 • Member of other Board Committees - 1 • Attended 6 out of the 10 Board meetings held during the year • Elected on 28.3.2024. Resigned on 30.10.2024

2.4. Current Directors as at 31.12.2024

Details of the Directors holding their office as at 31 December 2024, their respective membership in other public joint stock companies in Sultanate of Oman and their attendance at various meetings of the Company during 2024 are stated below:

1. Mr. Mohamed Abdulla Al Khonji **Chairman** Entrepreneur • Non-Executive/ Non-Independent Director • Chairman of other Boards - 2 • Member of other Boards - 4 • Member of other Board Committees - 4 • Attended 8 out of 10 Board meetings held during the year • Attended OGM	**2. Dr. Abdullah Masoud Al Harthy** **Vice Chairman** NREC Chairman • Non-Executive/Non-Independent Director • Chairman of other Boards - 1 • Member of other Boards - 1 • Member of other Board Committees - 1 • Attended 8 out of 10 board meetings during the year • Attended OGM
3. Mr. Abdul Aziz Al Harthy Internal Audit Professional • Non-Executive /Non-Independent Director • Chairman of other Boards - Nil • Member of other Boards - 2 • Member of other Board Committees - 2 • Attended 8 out of 10 Board meetings held during the year • Attended OGM	**4. Mr. Khalid Ansari** Audit Committee Chairman, External Audit Professional • Non-Executive / Independent Director • Chairman of other Boards - Nil • Member of other Boards - 2 • Member of other Board Committees - 2 • Attended 8 out of 10 Board meetings held during the year • Attended OGM
5. Mr. Hassan Saddiq Abdawani Investment Professional • Non-Executive / Independent Director • Chairman of other Boards - Nil • Member of other Boards – Nil • Member of other Board Committees - Nil • Attended nil out of 10 Board meetings held during the year • Elected via OGM on 18 December 2024	

2.5. Number of meetings held and dates of the meetings

Type	No.	Dates
Board meetings	10	25.1.2024, 11.3.2024, 28.3.2024, 7.5.2024, 28.5.2024, 3.7.2024, 13.8.2024, 17.9.2024, 11.11.2024 and 18.12.2024
Annual General Meeting (AGM)	1	28.3.2024
Ordinary General Meeting (OGM)	1	18.12.2024

3. Audit and other committees

3.1. Audit & Internal Risk Controls Committee (ARC)

a) Terms of reference

Audit and Internal Risk Controls Committee (ARC) has been set up pursuant to Principle 10 of the Code. A summary of its responsibilities is set out below:

(1) Oversight of the quality and integrity of the financial statements.

(2) Review of the Company's compliance with legal and regulatory requirements.

(3) Short listing of the external and internal auditors of the Company.

(4) Reviewing the annual plan, adequacy and performance of the Company's internal audit function (in house/ outsourced) and also the reports of the external auditors.

(5) Monitoring management reports, establishing accounting controls and reviewing the financial outcomes of the Executive Management's activities.

(6) Investigating any activity within the Company.

(7) Seeking information from any employee.

(8) Obtaining legal and professional advice.

(9) Securing attendance of outsiders and experts as and when required.

(10) Any other specific matter assigned by the Board.

b) Composition of the Audit & Internal Risk Controls Committee

The ARC comprises three Directors including two with finance and accounting expertise. The three members of the ARC are non-executive directors and the three are independent. The attendance of the members at the ARC meetings held during 2024 is as follows:

Former Members of ARC up to 28.3.2024

Names of members	Period		No. of meetings held	No. of meetings attended
	From	To		
Mr. Jabara Al Marar (1) Chairman of the Committee	1.1.2024	28.3.2024	4	1
Mr. Salem Taman (1)	1.1.2024	28.3.2024	4	1
Mr. Saed Saif Nasir Al Saadi	1.1.2024	28.3.2024	4	1

(1) Mr. Jabara and Mr. Salem Taman Al Mashani both had finance and accounting backgrounds.

Members of ARC from 28.3.2024 till date

Names of members	Period		No. of meetings held	No. of meetings attended
	From	To		
Mr. Khalid Masud Ansari (1) Chairman of the Committee	28.3.2024	Till date	3	3
Mr. Abdul Aziz Al Harthy	28.3.2024	Till date	3	3
Mr. Majid Akbar Qamarudeen (2)	28.3.2024	30.10.2024	3	2
Mr. Hassan Saadiq Abdawani (3)	18.12.2024	Till date	3	-

(1) Mr. Khalid Ansari has a background of Accounts and Finance

(2) Mr. Majid Qamarudeen resigned from the Board and the ARC on 30.10.2024.

(3) Mr. Hassan Saddiq Abdawani joined the Board and the ARC on 18.12.2024.

c) **Meetings of Audit & Internal Risk Controls Committee held during the year**

Type	No	Dates
ARC meetings	4	11.3.2024, 7.5.2024, 13.8.2024 and 10.11.2024

d) **Internal control**

The ARC, on behalf of the Board, has regularly reviewed the internal control environment of the Company. ARC members have met the internal auditor on a regular basis to review the internal audit reports, recommendations, and management comments thereupon.

The Internal Audit function was outsourced to HC Shah for the period from 1 January 2024 to 31 December 2024. ARC members have also met the external auditors to review audit findings and discuss the management letter. The ARC has met the internal and external auditors separately, without the presence of the Management, as required under the Code of Corporate Governance. The ARC has further briefed the Board about the effectiveness of internal controls in the Company. The ARC and the Board are pleased to inform the Shareholders that adequate and effective internal controls are in place and that there are no significant concerns.

3.2 Nomination, Remuneration and Executive Committee (NREC)

a) **Terms of reference**

The Nomination, Remuneration and Executive Committee (NREC) has been set up pursuant to Principle 11 of the Code. A summary of its responsibilities is set out below:

(1) Assist and advise the Board on matters relating to the remuneration of the Board.

(2) Assist the Board in evaluating the performance and determining remuneration of the Chief Executive Officer/ Acting Chief Executive Officer and Executive Management.

(3) Assist in nomination of Directors, appointment of Chief Executive Officer/ Acting Chief Executive Officer and senior Executive Management

(4) Review the Company’s performance on a regular basis.

(5) Formulate the strategic objectives in line with the Company’s mission.

(6) Establish operating policies on functional activities of the Company: i.e. project and portfolio investments, finance and accounting, personnel and administration, etc.

(7) Ensure that the Company is functioning in accordance with the Articles of Association and meeting all legal requirements.

(8) Carry out any other activity as and when assigned by the Board of Directors.

b) **Composition of the NREC and attendance of members at the meetings**

The NREC comprise three non-executive Directors as at 31 December 2024. The attendance of the members to the NREC meetings held during 2024 is as follows:

Former Members of NREC up to 28.3.2024

Names of members	Period		No. of meetings held	No. of meetings attended
	From	To		
Mr. Ahmed Al Neyadi Chairman of the Committee	1.1.2024	28.3.2024	-	-
Mr. Salem Taman Al Mashani	1.1.2024	28.3.2024	-	-
Mr. Mohammed Darwish Al Khoori	1.1.2024	28.3.2024	-	-

No NREC meeting took place before 28 March 2024.

Members of NREC from 28.3.2024 till date

Names of members	Period		No. of meetings held	No. of meetings attended
	From	To		
Dr. Abdullah Al Harthy, Chairman	28.3.2024	Till date	4	4
Mr. Mohamed Al Khonji	28.3.2024	Till date	4	4
Mr. Abdul Aziz Al Harthy	1.7.2024	Till date	4	2
Mr. Majid Qamarudeen (1)	28.3.2024	30.10.2024	4	2
Mr. Khalid Ansari (2)	28.3.2024	1.7.2024	4	2

(1) Mr. Majid Qamarudeen resigned from the board on 30th October 2024 and thereby the committee

(2) Mr. Khalid Ansari left the committee on 03 July 2024 to become ARC Chairman.

c) Meetings of NREC held during the year

Type	No	Dates
Nomination, Remuneration and Executive Committee meetings	4	6.5.2024, 28.5.2024, 11.11.2024 and 18.12.2024

4. Process of nomination of Directors

All Directors are appointed as per the provisions laid down in the Commercial Companies Law enacted at the date of appointment and in conjunction with the Articles of Association of the Company. The members thus elected hold office for a period of three years.

5. Remuneration matters

5.1 Details of remuneration to Directors

The Company has proposed RO 35,000 towards Directors' remuneration for 2024 (2023: RO Nil) and has paid sitting fees of RO 30,700 (2023: RO 17,400) to the members for the Board and the Committees. Details of payments are shown below:

Director Name	Board RO	Audit Committee RO	NREC RO	Total RO
Mr. Mohammed Darwish Al Khoori (Former Chairman)	1,000	-	-	1,000
Saed Saif Nasser Al Saadi (Former Vice Chairman)	1,000	300	-	1,300
Mr. Jabbara Al Marar (Former ARC Chairman)	500	300	-	800
Mr. Salem Tamam - Former Member	1,000	300	-	1,300
Mr. Ahmed Al Neyadi - Former Member	1,000	-	-	1,000
Mr. Majid Qamarudeen - Former Member	3,000	600	300	3,900
Mr. Mohamed Abdullah Al Khonji Chairman	4,000	-	1,200	5,200
Mr. Abdullah Masoud Al Harthy Vice Chairman	4,000	-	1,200	5,200
Mr. Khalid Ansari ARC Chairman	4,000	900	600	5,500
Mr. Abdul Aziz Al Harthy - Member	4,000	900	300	5,200
Mr. Hassan Saddiq Abdawani - Member	-	-	-	-
Total	**23,500**	**3,300**	**3,900**	**30,700**

5.2 Details of remuneration paid to top five officers

a. The remuneration package of the five Executives is made up of a fixed and variable component. The fixed component includes salary and allowances, apart from retiral benefits. The variable component is performance-linked bonus calculated based on pre-determined parameters of performance. During 2024 gross remuneration to the top five Executives including variable components was RO 241,631 (2023: RO 256,216).

b. Travel expenses incurred on Directors for attending Board and committee meetings during 2024 were RO 657 (2023: RO 4,027).

5.3 Service contracts, notice period and severance fees

The severance notice period for the Acting Chief Executive Officer and Executives is three months, with end-of-service benefits payable as per Omani Labor Law.

6. Details of non-compliance by the Company

During the year the Company was fully compliant with the rules and regulations set by the Capital Market Authority.

7. Means of communication with the Shareholders and investors

7.1. The quarterly results were published in local newspaper both in Arabic and in English. These financials were also posted on the website of Muscat Stock Exchange. In view of these publications, the results were not sent individually to the Shareholders.

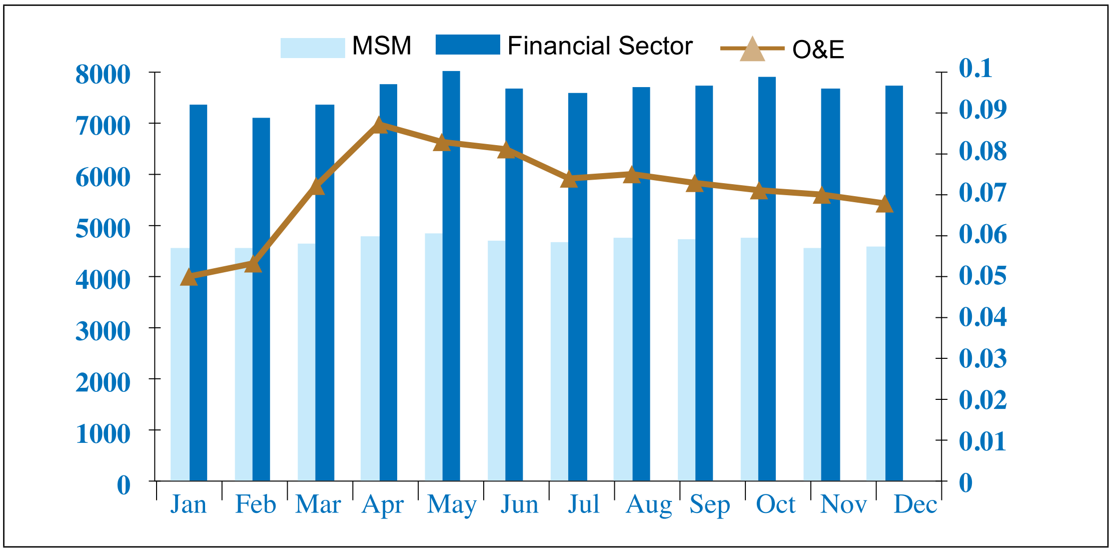
7.2. A separate Management Discussion and Analysis Report for the year 2024 forms part of the Annual Report.

8. Market price data

8.1. Market Price – High / Low Company's share in each month in MSM during the year 2024 is as under

Month	RO	
	Highest	Lowest
January	0.0570	0.0470
February	0.0540	0.0490
March	0.0720	0.0490
April	0.0960	0.0780
May	0.0850	0.0790
June	0.0860	0.0800
July	0.0850	0.0740
August	0.0750	0.0700
September	0.0790	0.0770
October	0.0750	0.0710
November	0.0730	0.0670
December	0.0720	0.0640

8.2. Performance in comparison to broad based index or MSM – Banks and Investment Sector:



The share price of O&E decreased by 32% during 2024 against an increase of 4.5% in Banking and Investment Index and a increase of 1.37% in MSX General Index.

8.3. Distribution of shareholding as of 31 December 2024

Range	No. of Shareholders	No. of Shares	% of Shareholders
0 – 1000	7,914	3,979,226	3.47%
1001 – 5000	8,756	14,287,382	12.47%
5001 – 10000	348	2,616,326	2.28%
10001 – 50000	285	6,145,962	5.37%
50001 – 100000	65	5,082,248	4.44%
Above 100001	71	89,763,856	78.36%
Total	**17,439**	**121,875,000**	**100.00%**

8.4 Shareholders holding more than 5% of the Share Capital as of 31 December 2024

Masoud Humaid Al Harthy	24.99%	30,456,562 Shares
Al Khonji Invest LLC & Group	21.76%	26,523,038 Shares

8.5 Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any GDRs / ADRs / Warrants or any other convertible warrants as of 31 December 2024 and hence the likely impact on equity is Nil.

9. Specific areas of non-compliance with the provisions of Corporate Governance

During 2024, the Company complied fully with the provisions of Corporate Governance.

10. Corporate social activities and future plans

During 2024, the Company donated RO 5,000 (2023: RO 5,000) under its Corporate Social Responsibility program to three charitable organizations including one nominated by the FSA. A similar amount of RO 5,000 is budgeted towards social responsibilities in 2025.

11. Related Party Transactions

The transactions with the Related Parties are as defined in Principle 9 of the 'Code' and include certain normal contracts and transactions which are carried out in the ordinary course of business without any differential advantage accruing to the Related Party. These also include transactions such as granting of loans, guarantees, capital injections or transactions of similar nature, being extended in the capacity of a Parent Company or as a long-term investor to its subsidiaries or associates or other investee companies. Shareholders' approval is taken for these prospective transactions in a year at the Annual General Meeting (AGM) on a broad basis; but the exact nature and value of the transactions in a financial year are notified to the Shareholders and post-facto approval is taken at the next AGM.

12. Professional Profile of the Statutory Auditor

12.1 BDO LLC, the statutory auditors of the Company, have been operating in the Sultanate of Oman since 1976. BDO LLC is an independent and legally distinct member firm of BDO International Limited. BDO, one of the leading professional services firms, providing industry focused Assurance, Tax and Advisory services, has over 119,000 employees working in a global network of 1,800 offices situated in 166 countries and territories.

12.2 BDO LLC is accredited by the Financial Services Authority to audit publicly listed joint stock companies (SAOGs) in Oman. BDO LLC billed an amount of RO 15,200 towards professional services rendered to the Company for the year 2024

12.3 Other tax related professional services were rendered by Ernst & Young for 2024 amounted to RO 1,200 (2023 – RO 1,200)].

13. Acknowledgement by the Board of Directors

13.1 The Board of Directors confirms that the financial statements for 2024 have been prepared in accordance with the applicable standards and rules.

13.2 The Board of Directors, through the ARC, has reviewed the Company's system of internal controls and confirms that all controls are in place and fully effective.

13.3 The Board of Directors confirms their belief that there are no material matters which may affect the continuation of the Company and its ability to continue its operations during the next financial year.

Mohamed Abdulla Al Khonji
Chairman
12th March 2025

Raffy Manoug Kozadjian
Acting Chief Executive Officer

1. Business Environment in Retrospect and Outlook

1.1. Global Outlook 2025

The International Monetary Fund (IMF) released its latest World Economic Outlook in January 2025, projecting global economic growth of 3.3% for 2025, a slight increase from the 3.2% growth in 2024. This rate remains below the historical average of 3.7% observed between 2000 and 2019. Global inflation is anticipated to decline from 5.7% in 2024 to 4.2% in 2025 and further to 3.5% in 2026, indicating progress in controlling price increases. Inflationary pressures are anticipated to ease gradually, although interest rate policies will continue to influence capital flows and investment decisions. The IMF also cautioned against protectionist policies, such as tariffs and subsidies, that could harm international trade and provoke retaliatory measures. These actions may introduce economic uncertainties by raising inflation and operational costs for businesses.

Looking ahead to 2025, the global economic landscape remains dynamic, shaped by key macroeconomic trends, geopolitical shifts, and technological advancements. The investment environment presents both challenges and opportunities, requiring strategic agility and resilience. Economic growth is expected to moderate, with varying recovery trajectories across regions. While advanced economies may experience slower growth due to tighter monetary policies, emerging markets are projected to drive global expansion.

Capital markets are expected to remain volatile, with equity and bond markets influenced by central bank policies and global economic uncertainties. Investors will prioritize companies with strong fundamentals, sound governance, and sustainable business models. ESG (Environmental, Social, and Governance) factors will continue to play a critical role in investment decision-making.

1.2. GCC Outlook

The Gulf Cooperation Council (GCC) nations have demonstrated resilience amid regional geopolitical turbulence, with non-hydrocarbon sectors exhibiting robust growth due to ongoing reform initiatives. However, overall economic expansion has decelerated, primarily because of reductions in oil production. The IMF anticipates a positive growth trajectory, bolstered by the expected easing of oil production cuts and the expansion of natural gas projects, alongside continued strength in non-hydrocarbon industries

Economic growth in the GCC region rose to 3.7% in 2024 and is expected to accelerate in the coming years, rising to 4.5% in 2025 and, according to the GCC Statistical Center, the region's GDP is expected to grow 3.5% in 2026. This accelerated growth was attributed to an increase in oil production in the coming two years and a continued recovery in key sectors including tourism, transportation and infrastructure. The report also expects the GCC region's growing non-oil sector to significantly boost GDP growth going forward.

The GCC economies are expected to grow at a steady pace, supported by Vision 2030 initiatives across the region aimed at reducing oil dependency and fostering economic resilience. While oil prices are expected to stabilize, GCC will continue investing in renewable energy and hydrogen projects to align with global sustainability goals and this position the GCC as a key player in the global clean energy market. The tourism sector will also experience strong growth, supported by government initiatives, relaxed visa policies, and global travel recovery.

1.3. Oman Outlook

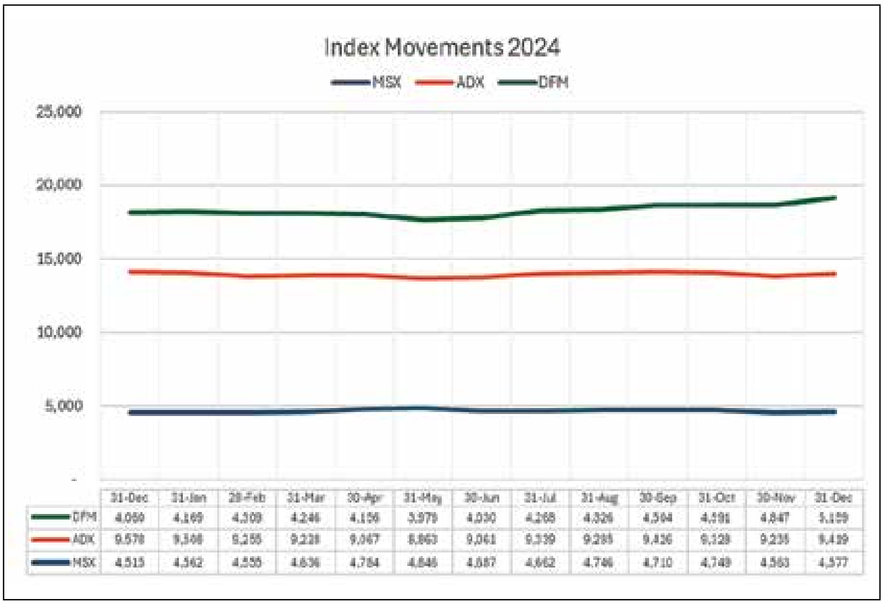
Oman's economy maintained steady growth in 2024, supported by a strong performance in non-petroleum activities. despite a decline in oil sector revenues and foreign direct investment flows which reflects weaker investor sentiment. Oman needs to attract more foreign capital and strengthen trade partnerships. The inflation rate averaged 1%, indicating stable consumer prices.

Oman's long-term economic landscape is being shaped, focusing on private sector growth, tourism expansion, and industrial development. Non-oil sectors such as renewable energy and hydrogen projects, logistics, technology, and financial services will gain prominence as governments push for economic diversification. Oman's tourism sector is set to expand with major infrastructure projects, including luxury resorts, eco-tourism initiatives, and cultural heritage developments. Moreover, Oman is targeting to attract increasing foreign direct investment (FDI) through business-friendly policies, tax incentives, and economic free zones. Sovereign wealth funds are expected to play a crucial role in financing strategic sectors such as technology, clean energy, and industrial development. Oman's Tanfeedh program will continue to drive investment in logistics, manufacturing, and mining to enhance economic competitiveness.

Oman's Ministry of Finance has outlined the 2025 state budget, emphasizing fiscal stability, social development, and economic diversification. The budget aligns with Oman Vision 2040 and the Tenth Five-Year Development Plan (2021-2025), targeting an economic growth rate of at least 3%. Preliminary data indicates that Oman's GDP grew by 1.9% in the first three quarters of 2024, reaching OMR 28.1 billion. The 2025 budget projects GDP to reach OMR 39.4 billion by year-end.

2. Performance of the MSM Equity Markets

2.1. By the end of 2024, MSX Index recorded a growth of 1.4%, ADX a decline of 1.7% and DFM showed a growth of 27.0% compared to 2023 during which MSX recorded a decline of 7.1%, ADX a decline of 6.2% and DFM a growth of 21.7% respectively. The stock market is viewed as an indicator of economic growth, a vital part in monetary policy and its stability or volatility is monitored as a development indicator of the economic growth of Oman, a vital part in its monetary policy and its performance as an indicator of the stability of the economy. Stock market stability and its volatility will be monitored as a development indicator.



2.2. Oman's Muscat Stock Exchange (MSX) recorded a significant increase in market value of approximately RO 3.8 billion last year, driven by rising share prices of several listed companies, capital increases by some firms and the listing of new companies in the closed market.

2.3. By December 2024, the total market capitalization of securities listed on the MSX reached approximately RO 27.595 billion, marking an increase of about RO 3.8 billion compared to the previous year. Of this, publicly listed companies contributed RO 12.332 billion, reflecting a gain of RO 3.365 billion. "Oman ranked as the third-best performing market in the GCC during 2024 after registering the biggest decline in the region in 2023," stated Kamco Invest in a recent report.

2.4. The closed market also saw its value rise to RO 10.953 billion by the end of 2024, an increase of RO 550 million. However, the bonds and sukuk market declined by RO 122.3 million, closing at around RO 4.309 billion. New company listings contributed to an 11% rise in trading value to RO 1.257 billion in 2024 compared to RO 1.132 billion in 2023. The number of transactions executed on the Muscat Stock Exchange also grew by a significant 39%, from 184,000 to over 257,000 trades.

3. Company's performance during 2024

3.1 Financial Strategy

Cash flow management was the highest priority during 2024. Management maintained a balanced financial strategy between reduction in costs and bank borrowings and providing financial support to enable implementation of the turnaround plans of two investee companies. This has been a year of strategic decision-making, with a focus on stabilizing and strengthening our portfolio of investments. As disclosed in our Directors' Report, we have taken proactive steps to support a Subsidiary, an Associates and an investee company facing financial challenges, ensuring long-term value creation for our stakeholders.

3.2. Financial Highlights

The Group and the Parent Company achieved a Net Profits of RO 363,085 and RO 346,334 respectively during 2024 compared with a Group Net Profit of RO 179,933 and Parent Net Profit of RO 2,276,986 during 2023. The break-ups are summarized in the tables below.

Particulars - Group	**2024 Holding %**	**2024 (RO '000s)**	2023 (RO '000s)
Net Profit/ (Loss) before share of results of Subsidiaries and Associates)		**(236,461)**	(592,177)
Subsidiaries:			
Omani Euro Food Industries Co SAOG	**80.84%**	**(337,926)**	(166,400)
FINCORP SAOG	**51.20%**	**(221,869)**	256,197
Associates:			
Oman Hotels and Tourism Co SAOC	**31.72%**	**96,562**	35,794
Oman Fiber Optic Co SAOC	**20.97%**	**1,062,780**	646,521
Net Profit / (Loss)		**363,086**	179,933

Particulars - Parent	**2024 Holding %**	**2024 (RO '000s)**	2023 (RO '000s)
Net Profit/ (Loss) (before share of results of Subsidiaries and Associates)		**(236,461)**	(592,177)
Subsidiaries:			
Omani Euro Food Industries Co SAOG	**80.84%**		-
FINCORP SAOG	**51.20%**	**(221,869)**	256,197
Associates:			
Oman Hotels and Tourism Co SAOC	**31.72%**	**96,562**	35,794
Oman Fiber Optic Co SAOC	**20.97%**	**1,062,780**	646,521
Net Profit / (Loss)		**701,012**	346,334

3.3 Investment movement

The movements of Parent Company investments under different categories during the period 1.1.2024 to 31.12.2024 and from the previous year are summarized in the following table:

RO in Million

Particulars	Financial Assets – FVTPL Equity	Financial Assets – Debt (Amortised Cost)	Associates (NAV basis)	Sub-sidiaries (NAV basis)	Total
At 01.01.2023	**10.883**		**14.232**	**3.596**	**30.810**
At 01.01.2024	**10.376**	**-**	**14.612**	**3.852**	**28.840**
Purchases			-	-	
Less: Cost of Sales	(0.271)		-	-	(0.271)
Add: Unrealized gain/ (loss)	(0.092)	-	-	-	(0.092)
Add: Share of Results	-	-	1.159	(0.222)	0.937
Add: Realised Gains					
Less: Divestment/ Maturity of Investment	-			-	
Less: Dividend received			(0.530)		(0.530)
Less: Amortisation of placement charges					
At 31.12.2023	**10.013**	**-**	**15.241**	**3.630**	**28.884**
% to Total	**34.7%**	**0.0%**	**52.8%**	**12.6%**	**100%**

3.4 Performance of Subsidiaries, Associates and Other Investments

This Annual Report contains a separate section (Investments Overview) which highlights in greater detail the performance of project companies, Subsidiaries, Associates and Other investments during 2024. Performance is summarised below:

- Oman Hotels & Tourism Co. SAOC incurred a Net Profit of RO 304,392 compared to Net Profit of RO 112,833 in 2023 with tourism and hospitality sector still trying to recover in the prevailing business environment.

- Omani Euro Food Industries Co. SAOG incurred a Net Loss of RO (418,024) compared to a Net Loss of RO (205,842) in 2023 and the impact is reflected only in Group Financials in 2024.

- FINCORP SAOG incurred a Net Loss of RO (433,350) compared to a Net Profit of RO 500,398 recorded in 2023. During the year ended 31 December 2024, the auditors FINCORP issued a disclaimer of opinion on the subsidiary's financial statements due to inability to obtain sufficient appropriate audit evidence to verify the payable and receivable balances. The Directors' Report disclosed the nature of the disclaimer and the associated uncertainties in our consolidated financial statements.

- Oman Fiber Optic Co. SAOC recorded a Net Profit of RO 5,068,589 compared to a Net Profit of RO 3,083,377 in 2023.

3.5. Total Borrowings and Debt/ Equity Ratio

During 2024, in line with the financial strategy, bank borrowings were reduced. The Parent Company's total borrowings stood at RO 7.127 million as at 31.12.2024 (reduced from RO 7.655 million as at 31.12.2023) consisting of the Government Soft Loan of RO 5.0 million, bank loans for operations of RO 1.441 million and the Head Office Building Loan of RO 0.686 million.

Against the Net Equity of RO 24.351 million of the Parent Company, the Debt Equity Ratio stood at 0.29, down from 0.32 times in 2023, as summarized in the table below:

Borrowings	**31.12.2024 RO Million**	31.12.2023 RO Million
BANK BORROWINGS		
Term Loan from banks	**1.441**	1.600
Building Loan	**0.686**	1.029
Overdraft from banks	**0.000**	0.026
TOTAL BANK BORROWINGS	**2.127**	2.655
Government Soft Loan	**5.000**	5.000
TOTAL BORROWINGS	**7.127**	7.655
Net Equity	**24.351**	23.650
Debt / Equity Ratio	**0.29**	0.32

3.6 Non-controlling Interests

The results and net assets of the Subsidiaries relating to the shareholders other than the Parent Company are shown under 'Non-controlling Interests' in the Group statements. The Statement of Profit or Loss has recorded a decrease of RO 291,579 related to these minority interests for the year 2024 (compared to an increase of RO 204,760 in 2023). The Group Total Equity includes RO 3,088,911 representing the net assets of the minority shareholders as at 31.12.2024 (compared to RO 3,380,490 at end 2023).

3.7 Composition of investments in Parent Company

The composition of the Parent Company's investment as at 31.12.2024, in comparison with previous year's status indicates the following proportion of investments of the Company:

Particulars	**2024**		2023	
	RO	**%**	RO	%
Fair Value Through Profit & Loss	**10,012,944**	**34.67%**	10,375,967	35.98%
Associates (At Equity)	**15,241,212**	**52.77%**	14,611,372	50.66%
Subsidiaries (At Equity	**3,630,363**	**12.56%**	3,852,231	13.36%
At Amortised Cost	**-**	**-**	-	-
Total	**28,884,519**	**100.00%**	28,839,570	100.00%

3.8 Investment Portfolio at Year End

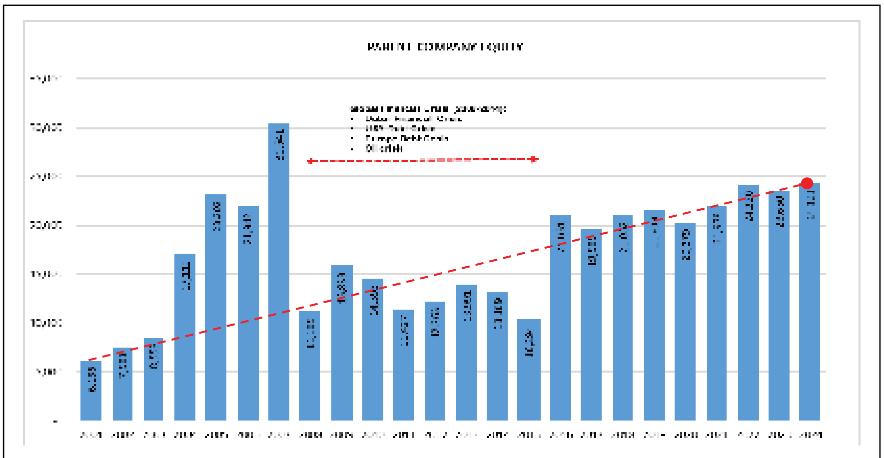
The table below compares the sectoral diversification of the Parent Company's total investments valued at RO 28.885 million on 31.12.2024 (compared to RO 28.840 million on 31.12.2023). The Company's portfolio did not change during the year. Of this, RO 24.88 million (86%) is concentrated in four key assets: 33.91% in tourism and hotels, 20.38% in the banking sector, 18.86% in fibre optic manufacturing, and 12.86% in asset management companies. The remaining RO 4.0 million is diversified across various other sectors, ensuring a balanced approach to risk management and long-term growth opportunities.

Management will continue to prioritize reshuffling it with asset classification by risk and liquidity (e.g. equities/ stocks, fixed income/ bonds and cash equivalent or money market instruments) and building a portfolio base consisting of readily liquid with regular income and return generating assets.

Sector		**2024**		2023	
		Investment Value RO Million	**Holding %**	Investment Value RO Million	Holding %
1	Tourism & Hotels	**9.794**	**33.91%**	9.698	33.63%
2	Banking	**5.886**	**20.38%**	6.174	21.41%
3	Telecom	**5.446**	**18.86%**	4.913	17.04%
4	Investment	**3.715**	**12.86%**	3.852	13.36%
5	Real Estate	**1.897**	**6.57%**	1.897	6.58%
6	Insurance	**0.986**	**3.41%**	0.885	3.07%
7	Power	**0.552**	**1.91%**	0.620	2.15%
8	Industry	**0.421**	**1.46%**	0.524	1.82%
9	Agriculture	**0.116**	**0.40%**	0.116	0.40%
10	Leasing	**0.070**	**0.24%**	0.084	0.29%
11	Services	**-**	**-**	0.075	0.26%
	Total	**28.884**	**100%**	28.840	100%

3.9 Update – Shareholders Equity

The following shows the growth in Shareholders Equity (Parent) throughout the years indicating a compounded annual growth, including cash dividend, of 8.0% from 2001 to 2024.



3.10 Head Office Building Results

New tenants were attracted to the Head Office building during 2024 which is occupied by reputed tenants on long-term tenancy agreements. A few vacant units still remain.

3.11 Government Soft Loan

For over two decades, the Company and its Shareholders benefitted from the interest-free Soft Loan extended by the two Governments. The fifth tranche was due in November 2024, but negotiations are being held to reschedule the outstanding RO 5 million over a longer period.

4. Internal controls

The Company has a robust internal audit system and strict adherence is monitored to ensure compliance with the procedures and operating systems. There was no breach of internal control during 2024.

5. Corporate Governance matters during 2024

Management continues to uphold the sound corporate culture established in the Company as manifested by shared values and transparent governing policies. Our Company's governance system has been fully integrated with ethical business practices, which meet the high standards expected by the Authorities.

6. Outlook going forward

6.1 Risks and uncertainties

As we navigate the evolving global and regional landscape, the Board recognizes the presence of key uncertainties and risks that may impact on our investment strategy and portfolio performance. We will face industry specific risks in our investments:

1. Baby food industry: client base, regulatory requirements, and rising raw material costs may impact profitability. Ensuring product quality, brand differentiation, and cost efficiencies will be key.
2. Aluminium extrusion sector: global commodity price fluctuations, supply chain disruptions, and geopolitical factors may impact raw material sourcing and product demand.
3. Tourism & Hospitality: geopolitical instability and economic downturns affecting travel demand, rising operational costs impacting profitability, overdependence on specific markets or regions, making businesses vulnerable to regional downturns.
4. Banking Sector: interest rate fluctuations affecting lending margins and overall profitability, potential loan defaults, rising debt burdens, regulatory compliance challenges with evolving financial regulations increasing compliance costs.
5. Fiber Optic Manufacturing: global supply chain disruptions leading to delays and increased production costs, price competition from emerging low-cost manufacturers, technological advancements leading to the potential obsolescence of existing fiber optic solutions, requiring ongoing innovation and capital investment.

We remain committed to proactive risk management to safeguard shareholder value.

6.2. Liquidity, Capital Resources and Commitment Priorities:

The banks will continue their tight credit policies and interest rates. The Company's strategy to drastically reduce its commercial borrowings was opportune and exposure to financial risks has been mitigated; but these movements will be monitored closely, going forward into a business environment full of new uncertainties around income stability.

Ensuring financial stability and maintaining a strong liquidity position remain key priorities for the Board. As we implement turnaround strategies and support our portfolio companies, prudent cash flow management, capital allocation, and financing decisions will be critical to sustaining operations and driving long-term growth.

Starting 2025, the objective remains to ensure predictable and stable cash flows to cover all operating costs and start investing in identified opportunities to achieve capital growth that reflects consistent earnings per share.

Management maintains total awareness of challenges faced in the prevailing business environment and is keen to enhance the credibility and financial strength of the Company in the coming years and to source further improvement in the overall return on the shareholders' funds.

Raffy Kozadjian
Acting Chief Executive Officer

12th March 2025

A. SUBSIDIARIES

General information

These are companies in which O&E holds 50% and above and consist of two companies listed in Table (1) below. The total value of investment, net of impairments, based on Net Asset Value at end 31 December 2024 in Subsidiaries has reached RO 3.630 million representing 13% of the Parent Company's total investments.

Table (1) - Subsidiaries

Sr	Company Name	Capital RO	Shareholders %
1	Oman Euro Food Industries Co. SAOG	2,000,000	O&E: 80.84% AAAID: 17.20% Others: 1.96%
2	The Financial Corporation SAOG	7,002,996	O&E: 51.2% OIFC : 21.8% Al Khonji Invest LLC : 11.6% Sawairis: 10.0% Others: 5.4%

Performance of Subsidiaries

1. **Omani Euro Food Industries Company SAOG**

- The company contract manufactures baby food products for Heinz and also produces and markets its own products under Mother's Choice brand name. Mother's Choice brand baby cereals are sold in 10 countries around the World.
- The company achieved a turnover of RO 1.373 million during 2024 compared to RO 1.946 million during 2023, recording a decrease of (30%) in Sales.
- The Operating Loss was RO (285)K in 2024 compared to the Operating Loss of RO (73)K in 2023. Net Losses were RO (218)K in 2024 compared to Net Losses of RO (206)K in 2023.
- Heinz Sales related to cereals, rusks and biscuits during 2024 were RO 366K (compared to RO 414K in 2023), a decrease of (12)%.
- Mother Choice Sales were RO 627K during 2024 compared to RO 611K during 2023, an increase of 2.6%.
- Complan Zydus sales were RO 0.381 million during 2024 compared to RO 0.922 million during 2023, a decrease of (59)%.
- The Capital of the company is fully eroded.
- O&E's holds 80.84% of the capital holding 1,616,778 shares.

2. **The Financial Corporation SAOG (FINCORP)**

- The company operates in three business activities: brokerage, portfolio management and investment.
- During 2024 the Group earned total income of RO 718K compared to negative total income of RO (1,004)K in 2023 and Net loss for the period stood at RO (433K) compared to a Net Profit of RO 708K during the previous year.
- O&E's holds 51.20% of the capital, being 35,854,310 shares.

B. ASSOCIATE COMPANIES

General information

These are companies in which O&E holds between 20% and 50% and are composed of two companies listed in Table (2) below. The total value of investments based on Net Asset Value at end 31 December 2024 in Associate Companies has reached RO 15.24 million representing 52.77% of the Parent Company's total investments.

Table (2) – Associate Companies

Sr	Company Name	Capital RO	Shareholders %
3	Oman Fiber Optic Company SAOC	7,215,118	O&E: 21.0% Omantel : 41.0% Omar Al Zawawi: 21.5% Others: 16.5%
4	Oman Hotels & Tourism Co. SAOC	6,985,000	O&E: 31.7% Al Khonji Invest LLC: 60.0% Others: 8.3%

Performance of Associate Companies

3. Oman Fiber Optic Company SAOC (OFO)

- The company was established in 1996 specializing in design and manufacturing optical fiber and fiber optic cables.
- The turnover during 2024 was RO 24.73 million compared to RO 20.87 million during the previous year, an increase of 22%.
- The company achieved a Net Profit of RO 5.068 million, compared to the Net Profit of RO 3.083 million during the previous year.
- The net asset value per share as on 31/12/2024 was RO 2.545.
- The company has proposed a cash dividend of 20% for 2024 (20% for 2023).
- O&E's holds 1,512,863 shares as at 31/12/2024 representing 21.0% of the capital of RO 7,215,118.

4. Oman Hotels and Tourism Company SAOC

- The principal activity of the Parent Company is the ownership and operation of a hotel in Muscat and in Sohar. It has investments in two subsidiaries (Sur Plaza Hotel in Sur and Desert Night Resort in Bidiya) and an associate company in finance.
- The revenue generated at Group level was RO 1.880 million compared to RO 2.308 during the previous year.
- The consolidated Operating Loss was RO (399)K, compared to an Operating Loss of RO (286)K during the previous year.
- The associate company's share of profit was RO 733K compared to RO 588K achieved in 2023.
- The company recorded a Net Profit of RO 304K at Group level compared to Net Loss of RO (113)K the previous year.
- The Board has not proposed any dividend for the year 2024 (Nil in 2023).
- O&E's holds 22,158,419 shares representing 31.72% of the capital of RO 6.985 million.

C. OTHER INVESTMENTS

General information

Other Investments include Quoted and Unquoted Investments aggregating to RO 10.01 million representing 34.67% of the Parent Company total investments. Table (3) below shows Quoted Investment and Unquoted Investments where O&E holds a stake of above 1%.

Table (3) - Other Investments

Sr	Company's Name	Capital	O&E Stake
	OMAN	RO	
5	Computer Stationery Industry SAOG	1,000,000	**14.40%**
6	National Aluminium Products Co. SAOG	3,357,145	**13.30%**
7	Fund For Development of Youth Projects SAOC	5,370,000	**4.70%**
8	Majan Development Co. SAOC	16,100,000	**5.00%**
9	Iskan Oman Invest Co. SAOC	12,500,000	**10.00%**
10	Al Najd Agricultural Development Co. SAOC	12,800,000	**5.10%**
11	Al Kamil Power Co. SAOG	9,625,000	**3.10%**
	UNITED ARAB EMIRATES	AED	
12	Gulf Capital PJSC	1,225,000,000	**0.41%**
13	Al Wathba National Insurance Co PJSC	207,000,000	**1.17%**

Performance of companies

5. Computer Stationery Industry SAOG

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Computer Stationery Industry S.A.O.G.

- The principal activity of the company is the manufacture and sale of continuous stationery and commercial printing materials. It has a wholly owned subsidiary 'Oman Printers and Stationers LLC' which is engaged in specialized printing of school books, leaflets and other general materials.
- The company reported revenues of RO 1.635 million during 2024 compared to RO 1.271 million during 2023, an increase of 29%.
- The Operating Loss was RO (110)K for 2024, compared to an Operating Loss of RO (541)K in 2023.
- The Net Loss for 2024 was RO (128)K compared to a Net Loss of RO (541)K in 2023.
- No dividend has been recommended for year 2024 (2023: Nil).
- O&E holds 14.437% stake in the company.

6. National Aluminium Products Co SAOG

- The company produces aluminum extrusions and sells proprietary high-quality aluminum systems. The aluminum extrusion industry continued to face a very challenging environment characterized by intense competition and cheaper supplies from abroad which, combined with subdued oil prices on the construction industry affected the performance of the year.
- The company reported sales of RO 20.9 million in 2024 compared to RO 25.9 million in 2023, a decreased of 19%.
- It recorded Net loss of RO (1.5) million in 2024 compared to Net loss of RO (3.7) million during 2023.
- No dividend has been recommended for the year 2024 (2023: Nil).
- O&E holds 13.3% in the company.

7. Fund for Development of Youth Projects SAOC (FDY)

- The core activity of this company is to support and promote start-up Small and Medium Enterprises in Oman to generate employment opportunities for Omanis. It provides advisory services and support to entrepreneurs as well as financial support in the form of equity and debt.
- Revenues of RO 1,240K were recorded during 2024 compared to RO 706K in 2023, an increase of 75%.
- Net Profit achieved was RO 99K during 2024 compared to a Net Profit of RO 44K during 2023.
- O&E owns 250,000 shares representing 4.7% of the share capital of FDY.

8. Majan Development Company SAOC

- The company's business model is a full spectrum service covering four areas of activities: land trading, property development, real estate funds and property management.
- The company recorded revenues from rental income and others of RO 0.745 million during 2024 compared to RO 0.565 million during 2023, an increase of 32%.
- Net Loss for the year was RO (0.531) million compared to Net Loss of RO (0.207) million in 2023.
- O&E holds 5% of the capital of the company which is now RO 16.1 million.

9. Iskan Oman Invest Company SAOC

- The company was originally engaged in real estate development projects and services. Since then, it has diversified its investment portfolio in the education sector and is expanding into the healthcare market.
- The Revenues amounted to RO 0.552 million during 2024 compared to RO 0.575 million during 2023, a decrease of 4%.
- The Net Loss reported during 2024 was RO (46)K compared to Net Loss of RO (298)K in 2023.
- O&E holds 10% of the capital of the company.

10. Al Najd Agricultural Development Co. SAOC

- The company was established to develop the agricultural sector of the Sultanate with the support of the Government and selective private sector participation. The company produces animal forage utilizing central pivot irrigation systems and adopting modern production methods.
- The company recorded revenues of RO 1.665 million in 2024 compared to RO 1.207 million in 2023, an increase of 38%.
- It incurred a Net Loss of RO (0.55) million during 2024 compared to a Loss of RO (0.185) million during 2023.
- The company's paid-up capital is RO 10,353,500 at end 2023 while its authorized capital is RO 12,800,000. This paid-up capital includes shares of RO 2,688,000 given to the farmers and Thumrait Development Fund in accordance with a Government grant.
- O&E holds 5.13% equity stake in this company.

11. Al Kamil Power Company SAOG

- The company owned and operated a 285 MW electricity generating plant near Al Kamil, Oman.
- The annulment of Power 2022 procurement process by OPWP resulted in non-renewal of the PPA beyond 31 December 2021. Having assessed the spot market, the company decided that there are no economically viable options available for it to continue its operations beyond 31 December 2021. Therefore, the Financial Statements have been prepared on realisation basis.
- O&E holds 3,025,540 shares in this company representing 3.14% of the capital and will await the outcome of the above process.

12. Gulf Capital PJSC

- O&E is a founder member in Gulf Capital Private Joint Stock Company, a UAE based private equity firm. The company's strategy is to acquire controlling stakes in highly profitable, fast growing and visible companies in select industries in the Gulf Region. The Group financial performance depends upon the contribution from private equity activities and overall growth in value of portfolio of private equity investments.
- The Net Profit for 2024 was AED 2.075 million compared to a Net Profit AED 40.833 million in the previous year.
- O&E holds 2,500,000 shares (AED 2,500,000) in this company.

13. Al Wathba National Insurance Co. PJSC

- The company was incorporated in Abu Dhabi as public shareholding company, listed in the Abu Dhabi Securities Exchange, and its principal activity is the transaction of general insurance and re-insurance business of all classes.
- The Net Profit reported for 2024 decreased to AED 35.50 million compared to AED 177.09 million in 2023.
- The total assets at end 2024 stood at AED 1,911 Million compared to AED 1,760 Million in 2023 and the shareholders equity decreased to AED 1,198 million at end 2024 from AED 1,270 million at end 2023.
- O&E holds 2,415,000 shares in this company with a share capital of AED 207 million.

D. SECTORAL DIVERSIFICATION OF THE TOTAL INVESTMENTS OF O&E

Table (4) below indicates the sectoral diversification of O&E's total investments valued at RO 28.84 million on 31 December 2024 based on carrying value, in the Parent Company:

Table (4) - Sectoral diversification of the total value of investments

Sr.	Sector	2024	
		Investment Value RO million	Holding %
1	Tourism & Hotels	**9.794**	**33.91%**
2	Banking	**5.886**	**20.38%**
3	Telecom	**5.446**	**18.86%**
4	Investment	**3.715**	**12.86%**
5	Real Estate	**1.897**	**6.57%**
6	Insurance	**0.986**	**3.41%**
7	Power	**0.552**	**1.91%**
8	Industry	**0.421**	**1.46%**
9	Agriculture	**0.116**	**0.40%**
10	Leasing	**0.070**	**0.24%**
	Total	**28.884**	**100%**

E. NEW INVESTMENTS

No greenfield investment has been budgeted during the year until resumption of normality in the business environment.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion - Parent Company

We have audited the separate financial statements of Oman and Emirates Investment Holding Company SAOG ("the Parent Company"), which comprise the separate statement of financial position as at 31 December 2024, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in shareholders' equity and the separate statement of cash flows for the year then ended, and notes to the seperate financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Parent Company as at 31 December 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Disclaimer of Opinion - Group

We were engaged to audit the consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion - Group* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Qualified Opinion - Parent Company

As described in Note 13 to the separate financial statements, the Parent Company has an investment in a subsidiary, The Financial Corporation Company SAOG (Fincorp), which is equity-accounted and carried at RO 3.63 million as at 31 December 2024 and the Parent Company's share of Fincorp's net loss of RO 0.21 million which is included in the separate statement of profit or loss for the year then ended. The financial statements of Fincorp were audited by another auditor who expressed a *Disclaimer of Opinion* on those financial statements due to the reasons mentioned in *Basis of Disclaimer of Opinion - Group* section of our report.

As a result, we were unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the investment in Fincorp as at 31 December 2024 of RO 3.63 million and the share of net loss of RO 0.21 million for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts were considered necessary.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG (continued)

Basis for Qualified Opinion - Parent Company (continued)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements - Parent Company* section of our report. We are independent of the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for Disclaimer of Opinion - Group

The Group's total assets of RO 39.55 million, total liabilities of RO 13.68 million and total equity of RO 25.87 million includes Fincorp's total assets of RO 8.50 million, total liabilities of RO 1.41 million, equity attributable to the Parent Company of RO 3.63 million, and share of non-controlling interest of RO 3.46 million as at 31 December 2024. The Group's total income of RO 2.59 million and total expenses of RO 2.52 million includes Fincorp's total income of RO 0.72 million and total expenses of RO 1.15 million. The financial statements of Fincorp were audited by another auditor who expressed a *Disclaimer of Opinion* on those financial statements due to the below reasons:

As described in Note 43 to the consolidated financial statements, during the year 2023, the subsidiary, Fincorp, identified irregularities in the brokerage division which led to an investigation by an independent consultant appointed by Fincorp's Board of Directors. The initial report of phase 1 of the investigation dated 29 September 2024 identified trade reporting discrepancies of RO 3.2 million, which the consultant has reported as having impacted both client receivables and payables.

The consultant is working with the management of Fincorp to reconcile client balances as part of phase 2 of their ongoing investigation. However, pending the completion of all client meetings, confirmations, and related reconciliations, a reliable determination of the client receivables and payables cannot be ascertained. The management of Fincorp has created a provision of RO 600,000, but uncertainty remains regarding its adequacy, and the full financial impact of the irregularities, including the recoverability of the receivables.

The irregularities also raise concerns about the accuracy of client fund segregation and securities and bank balances held on behalf of clients at the end of the reporting period. Consequently, the reliability of reported assets and liabilities at 31 December 2024 is uncertain.

As a result we were unable to determine whether any adjustments were necessary in respect of the Fincorp's total assets, total liabilities, shareholders' equity, income and expenses included in these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG (continued)

Key Audit Matters - Parent Company

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of unquoted investments in equity securities

As stated in Note 10 to the separate financial statements, the Parent Company values its investment in unquoted equity securities based on the valuation carried out by an independent valuer. Since the use of such a valuation model includes significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent and, therefore, is considered as a key audit matter.

Our procedures in this regard included:

- Obtained management's valuation model and tested it for arithmetical accuracy and the basis in which the inputs into the model were determined;
- Evaluated the methodology and appropriateness of valuation techniques used by management, including reasonableness of the assumptions used in accordance with the relevant IFRS Accounting Standards;
- Used our internal valuation specialists to assess the reasonableness of the methodology used and the amounts used for valuation; and
- Assessed the adequacy of the disclosures in the separate financial statements.

Other Information

Management is responsible for the other information. The other information included in the Annual Report comprises the Chairman's report, Management Discussion and Analysis Report and Code of Corporate Governance Report but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB, the relevant requirements of the Financial Services Authority (FSA) and the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements - Parent Company

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements - Parent Company (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - Group

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion - Group* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG (continued)

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, the separate financial statements of the Parent Company as at, and for the year ended, 31 December 2024, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman and the relevant disclosure requirements of the FSA.

BDO

Muscat
13 March 2025

B. Kapur

Bipin Kapur
Partner
M. No: 043615
Institute of Chartered Accountants of India, New Delhi, India

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Sultanate of Oman

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

(Expressed in Omani Rial)

		Group		Parent Company	
		31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
	Notes				
ASSETS					
Cash and bank balances	7	**2,155,379**	1,419,372	**412,139**	266,746
Trade and other receivables	8	**1,338,029**	1,307,712	**175,021**	74,976
Inventories	9	**292,582**	446,409	**-**	-
Investments at fair value through profit or loss	10	**13,852,346**	14,731,511	**10,012,944**	10,375,967
Investment in associates	12	**17,049,614**	16,444,544	**15,241,212**	14,611,372
Investment in subsidiaries	13	**-**	-	**3,630,363**	3,852,231
Investment property	16	**2,702,250**	2,826,450	**2,432,250**	2,556,450
Property, plant and equipment	6	**1,758,187**	1,993,075	**272,836**	326,283
Right-of-use assets	15	**358,975**	372,270	**-**	-
Deferred tax assets	17	**46,507**	61,071	**-**	-
TOTAL ASSETS		**39,553,869**	39,602,414	**32,176,765**	32,064,025
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	18	**12,187,500**	12,187,500	**12,187,500**	12,187,500
Legal reserve	19	**5,062,733**	5,062,733	**4,062,500**	4,062,500
Retained earnings		**5,533,574**	5,170,489	**8,101,053**	7,400,041
Total capital and reserves of the Parent Company		**22,783,807**	22,420,722	**24,351,053**	23,650,041
Non-controlling interest		**3,088,911**	3,380,490	**-**	-
TOTAL CAPITAL AND RESERVES		**25,872,718**	25,801,212	**24,351,053**	23,650,041
LIABILITIES					
Lease liabilities	15	**401,564**	400,615	**-**	-
Bank borrowings	21	**68,608**	94,144	**-**	25,836
Term loan	22	**2,127,371**	2,629,917	**2,127,371**	2,629,917
Trade and other payables	25	**2,430,608**	2,023,526	**698,341**	758,231
Loan from Government	23	**8,301,526**	5,000,000	**4,308,120**	4,648,526
Deferred Government grants	23	**351,474**	3,653,000	**691,880**	351,474
TOTAL LIABILITIES		**13,681,151**	13,801,202	**7,825,712**	8,413,984
TOTAL EQUITY AND LIABILITIES		**39,553,869**	39,602,414	**32,176,765**	32,064,025
Net assets per share	36	**0.187**	0.184	**0.200**	0.194

These consolidated and separate financial statements, as set out on pages 44 to 92, were approved and authorised for issue by the Board of Directors and signed on their behalf by:

Mohammed Abdulla Al Khonji	**Dr. Abdullah Masoud Al Harthy**	**Raffy Manoug Kozadjian**
Chairman	Vice-Chairman	Acting Chief Executive Officer

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2024

(Expressed in Omani Rial)

	Note	Group Year ended 31 December 2024	Year ended 31 December 2023	Parent Year ended 31 December 2024	Year ended 31 December 2023
Income					
Net investment income	27	**1,165,962**	1,100,900	**587,586**	382,634
Share of profit from investment in associates	12	**1,261,925**	948,346	**1,159,342**	682,315
Share of (loss)/profit from investment in subsidiaries	13	**-**	-	**(221,869)**	256,197
Gross profit on sale of food products	28	**56,290**	211,975	**-**	-
Other income		**106,339**	56,832	**68,000**	1,737
Total income		**2,590,516**	2,318,053	**1,593,059**	1,322,883
Expenses					
Salaries and other related staff costs	30	**(761,710)**	(781,401)	**(317,160)**	(348,425)
Administrative expenses	31	**(784,698)**	(738,993)	**(350,154)**	(395,753)
Directors' remuneration	24	**-**	(98,000)	**-**	(68,000)
Provision for claims	43	**(600,000)**	-	**-**	-
Total expenses		**(2,146,408)**	(1,618,394)	**(667,314)**	(812,178)
Net income		**444,108**	699,659	**925,745**	510,705
Finance costs		**(358,038)**	(297,670)	**(224,733)**	(164,371)
Net profit before tax for the year		**86,070**	401,989	**701,012**	346,334
Income tax expense	33	**(14,564)**	(17,296)	**-**	-
Net profit after tax and total comprehensive income for the year		**71,506**	384,693	**701,012**	346,334
Net profit after tax attributable to:					
Parent Company		**363,085**	179,933	**701,012**	346,334
Non-controlling interest		**(291,579)**	204,760	**-**	-
		71,506	384,693	**701,012**	346,334
Earnings per share - basic and diluted	35	**0.003**	0.001	**0.006**	0.003

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

(Expressed in Omani Rial)

Group	Notes	Attributable to Owners of the Parent Company					
		Share capital	Legal reserve	Retained earnings	Total	Non-controlling interest	Total
As at 31 December 2022		12,187,500	4,991,892	5,977,493	23,156,885	3,175,730	26,332,615
Net profit after tax and total comprehensive income for the year		-	-	179,933	179,933	204,760	384,693
Dividends paid	26	-	-	(916,096)	(916,096)	-	(916,096)
Transfer to legal reserve	19	-	70,841	(70,841)	-	-	-
As at 31 December 2023		12,187,500	5,062,733	5,170,489	22,420,722	3,380,490	25,801,212
Net profit after tax and total comprehensive income for the year		-	-	363,085	363,085	(291,579)	71,506
As at 31 December 2024		**12,187,500**	**5,062,733**	**5,533,574**	**22,783,807**	**3,088,911**	**25,872,718**

Parent Company	Notes	Share capital	Legal reserve	Retained earnings	Total
As at 31 December 2022		12,187,500	4,062,500	7,969,803	24,219,803
Net profit after tax and total comprehensive income for the year		-	-	346,334	346,334
Dividends paid	26	-	-	(916,096)	(916,096)
As at 31 December 2023		12,187,500	4,062,500	7,400,041	23,650,041
Net profit after tax and total comprehensive income for the year		-	-	701,012	701,012
As at 31 December 2024		**12,187,500**	**4,062,500**	**8,101,053**	**24,351,053**

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

(Expressed in Omani Rial)

		Group		Parent Company	
		Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Operating activities	Notes				
Net profit before tax for the year		**86,070**	401,989	**701,012**	346,334
Adjustments for:					
Depreciation and amortisation	6&15	**374,692**	422,540	**177,647**	221,584
Profit on sale of property, plant and equipment	6	**-**	(2,344)	**-**	-
Share of profit from investment in associates and subsidiaries	12 & 13	**(1,261,925)**	(948,346)	**(937,473)**	(938,512)
Unrealised losses on investments at fair value through profit or loss	10	**17,367**	541,692	**92,146**	593,504
Realised profit on sale of investments at fair value through profit or loss	10	**(262,670)**	(477,867)	**(124,323)**	(293,514)
Allowance for expected credit losses on trade and related party receivables	8	**(1,770)**	(64,494)	**-**	-
Provision for employee benefit liabilities	24(a)	**20,404**	24,606	**9,433**	6,776
Finance costs		**358,038**	297,670	**224,733**	164,371
		(669,794)	195,446	**143,175**	100,543
Inventories		**153,828**	9,845	**-**	-
Trade and other receivables		**(128,528)**	244,310	**(100,045)**	131,690
Trade and other payables		**501,220**	(643,429)	**(69,324)**	(471,722)
Cash used in operating activities		**(143,274)**	(193,828)	**(26,194)**	(239,489)
Employee benefit liabilities paid		**(14,561)**	(14,557)	**-**	-
Net cash used in operating activities		**(157,835)**	(208,385)	**(26,194)**	(239,489)
Investing activities					
Purchase of property, plant and equipment	6	**(2,310)**	(15,398)	**-**	(3,557)
Proceeds from sale of property, plant and equipment	6	**-**	2,344	**-**	-
Dividend income received from investment in associates		**656,855**	302,573	**529,502**	302,573
Proceeds from disposal of investments at fair value through profit or loss		**2,107,828**	3,229,474	**395,200**	1,296,765
Proceeds from maturity of financial assets at amortised cost		**-**	2,093,971	**-**	2,093,971
Purchase of investments at fair value through profit or loss		**(983,360)**	(3,383,263)	**-**	(1,089,546)
Net cash from investing activities		**1,779,013**	2,229,701	**924,702**	2,600,206
Financing activities					
Repayment of term loans	22	**(566,568)**	(568,000)	**(566,568)**	(568,000)
Proceeds from term loans	22	**64,022**	1,076,084	**64,022**	1,076,084
Repayment of Government soft loan	23	**-**	(2,500,000)	**-**	(2,500,000)
Dividends paid	26	**-**	(916,096)	**-**	(916,096)
Finance costs paid		**(336,465)**	(276,145)	**(224,733)**	(164,371)
Payment of lease liabilities		**(20,624)**	(20,624)	**-**	-
Net cash used in financing activities		**(859,635)**	(3,204,781)	**(727,279)**	(3,072,383)
Net change in cash and cash equivalents		**761,543**	(1,183,465)	**171,229**	(711,666)
Cash and cash equivalents, beginning of the year		**1,232,804**	2,416,269	**148,486**	860,152
Cash and cash equivalents, end of the year		**1,994,347**	1,232,804	**319,715**	148,486

Disclosure required by IAS 7, "Statement of Cash Flow" has been shown in Note 41 to the consolidated and separate financial statements.

(Expressed in Omani Rial)

1 Legal status and principal activities

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

The Group has the following subsidiaries and equity accounted investees:

	Country of incorporation	Shareholding percentage		Principal activities
		2024	2023	
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	**81**	81	Manufacturing of baby food
The Financial Corporation Company SAOG (FINCORP) and its subsidiaries	Oman	**51**	51	Financial services
Equity accounted associates				
Oman Hotels and Tourism Company SAOC	Oman	**32**	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	**21**	21	Fiber optic products

The consolidated and separate financial statements as at, and for the year ended, 31 December 2024, comprise the results of the Company and its subsidiaries (together referred to as "the Group").

This consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 12 March 2025.

2 Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis and going concern assumption, except for financial assets at fair value through profit or loss which are stated at their fair values and investment in associates which are equity accounted. The preparation of consolidated and separate financial statements is in conformity with IFRS Accounting Standards that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's and the Parent Company's accounting policies.

(c) Basis of consolidation

The consolidated and separate financial statements include the accounts of the Parent Company and its subsidiaries, after elimination of all inter-company transactions, balances and unrealised surpluses and deficits on transactions between the group companies. Entities controlled by the Parent Company by virtue of holding more than fifty percent of the voting shares are considered as subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated; unrealised losses are also eliminated unless the costs cannot be recovered. Accounting policies of subsidiaries have been changed, wherever necessary, to ensure consistency with the policies adopted by the Parent Company.

The Parent Company does not consolidate its holdings in those entities from which it does not obtain any benefit from its activities and the investments are held only on behalf, and for the beneficial interest, of third parties.

(d) Functional currencies

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

3 Adoption of significant new and revised IFRS

(a) Standards, amendments and interpretations effective and adopted in the annual period beginning on or after 1 January 2024

The following new standards, amendments to existing standards or interpretations to various IFRS Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2024:

Standard or Interpretation	Title
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IAS 7	Statement of Cash Flows: Supplier Finance Arrangements
Amendments to IFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

IFRS 16: Lease Liability in a Sale and Leaseback

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

Prior to the amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments have no effect on the consolidated and separate financial statements of the Group and the Parent Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.

- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.
- These amendments have no effect on the consolidated and separate financial statements of the Group and the Parent Company.

Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The Group and the Parent Company has carried out an assessment of its contracts and operations and, concluded that, these amendments have had no effect on the consolidated and separate financial statements, regardless of the transition relief provided.

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

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting periods and the Group and the Parent Company have decided not to adopt early:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

IFRS 18 Presentation and Disclosure in consolidated and separate financial statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from

Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated and separate financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 Material accounting policy information

A summary of the material accounting policies adopted in the preparation of these consolidated and separate financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

I. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries, from the date that control effectively commenced until the date that control effectively ceased. Control is achieved when the Parent Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

All intra-group trasanctions and balances, income and expenses and unrealised gains and losses resulting from intra- transactions are eliminated.

II. Subsidairies

Subsidiaries are all entities over which the Parent Company exercises significant control. The Parent Company controls an entity when it 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 over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group and the Parent Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Parent Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Parent Company's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Parent Company and subsidiaries are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group and the Parent Company.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in consolidated and separate shareholders' equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated shareholders' equity.

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

III. Investment in an associate

Associate is an entity over which the Group and the Parent Company have an interest of between 20% and 50% and exercise significant influence and which is neither a subsidiary nor a joint venture. The consolidated and separate financial statements include the Group's and the Parent Company's share of the total recognised gains and losses of the associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's and the Parent Company's share of losses exceeds its interest in an associate, the investment's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group and the Parent Company have incurred legal or constructive obligations or made payments on behalf of the associate.

Dividend received from the associate is reduced from the carrying value of the investment in the associate.

IV. Investment income

Investment income on financial assets at fair value through profit or loss and financial assets at fair value through profit or loss is recognised when the entitlement arises. Dividend income is recognised when the amount is either notified to the Group or the Parent Company.

V. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value, except for freehold land which is not depreciated. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives, as follows:

	Years
Buildings	20-40
Plant and machinery	15-20
Furniture and fixtures	3-5
Office equipment	3-5
Motor Vehicles	3-4

Freehold land is not depreciated as it is deemed to have an indefinite useful life.

Any revaluation increase arising on the revaluation of freehold land is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Investment properties

Investment properties comprise freehold land and buildings held for long-term rental yields and not occupied by the Group and the Parent Company. Investment properties are carried at cost, less impairment. Any required impairment charge is recorded in the consolidated and separate statement of profit or loss and other comprehensive income.

Depreciation is calculated in accordance with the straight-line method, to write-off the cost of each investment property to its estimated residual value over the expected useful economic life, which is not expected to exceed 25 years. Freehold land is not depreciated as it is deemed to have an infinite life.

(d) Joint ventures

Joint ventures are those entities over whose activities the Group and the Parent Company has joint control, established by contractual agreement from the date that joint control effectively commences, until the date that joint control effectively ceases. The consolidated and separate financial statements include the Group's and the Parent Company's share of the total recognised gains and losses of the joint venture on an equity basis, since the management's view is that this represents an acceptable and conservative method of measuring the fair value.

(e) Financial instruments

Financial instruments are recognised when the Group and the Parent Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[A] Financial assets

The Group and the Parent Company determines the classification of its financial assets at initial recognition. The classification depends on the Group's and the Parent Company's business model for managing the financial assets and the contractual terms of the cash flows.

I. Classification

The financial assets are classified in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in the Group's and the Parent Company's consolidated and separate statement of profit or loss or other comprehensive income. For investments in equity instruments, the Group and the Parent Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss.

II. Measurement

At initial recognition, the Group and the Parent Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Group and the Parent Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Parent Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Parent Company classifies debt instruments at amortised cost based on the below:

a) the asset is held within a business model with the objective of collecting the contractual cash flows; and

b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

Equity instruments

If the Group and the Parent Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Parent Company's right to receive payment is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(losses) in profit or loss as applicable.

III. De-recognition of financial assets

The Group and the Parent Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Parent Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Parent Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group and the Parent Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group and the Parent Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

IV. Impairment

The Group and the Parent Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables.

ECL is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group and the Parent Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Group and the Parent Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit and loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12-months ECL or life-time ECL, depending on whether there has been a significant increase in credit risk since initial recognition '12-months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represents the ECL that results from all possible default events over the expected life of the financial asset.

Trade receivables are of a short-duration, normally less than 12 months, and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Group and the Parent Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on aging of trade receivables.

The Group and the Parent Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

Dividend income

Dividends receivable from financial instruments are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the Parent Company, and the amount of the dividend can be measured reliably.

[B] Financial liabilities

The Group and the Parent Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

I. Classification

The financial liabilities are classified in the following measurement categories:

a) those to be measured as financial liabilities at fair value through profit or loss; and

b) those to be measured at amortised cost.

II. Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs.

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charge over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Group's and the Parent Company's financial liabilities include loan from Government, term loans, lease liabilities, bank borrowings and trade and other payables. The Group and the Parent Company measures financial liabilities at amortised cost.

III. Derecognition of financial liabilities

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

IV. Determination of fair values

A number of the Group's and the Parent Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

V. Impairment of non-financial assets

The carrying amount of the Group's assets or its cash generating unit, other than financial assets, are reviewed at each consolidated and separate statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value-in-use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the weighted average cost basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business less any incidental selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

(g) Cash and cash equivalents

For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts and restricted bank balances. In the consolidated and separate statement of cash flows, bank overdrafts is included as part of current liabilities.

(h) Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group and the Parent Company will comply with all attached conditions. The soft loan is carried in the consolidated and separate statement of financial position at fair value being the fair value of consideration received. The fair value of the consideration received is the sum of all future cash payments, discounted using the market borrowing rates of interest for loans having similar maturity to discount the future contractual cash flows.

The difference between the fair value and the principal amount of the loans is treated as Government grant and deferred over the period of the loans. The deferred Government grant is recognised as income over the periods necessary to match it on a systematic basis to the costs which it intend to compensate.

(i) Provisions

Provisions are recognised when the Group and the Parent Company have an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

(j) Employee benefit liabilities

In respect of local employees in different countries in which the Group and the Parent Company operates, contributions are made in accordance with the Social Insurance Protections Laws enacted in Oman and UAE and recognised as an expense in profit or loss as incurred.

For expatriate employees, accruals are made for amounts payable under the Labour Laws prevalent in Oman and UAE, based on the employees' accumulated periods of service at the consolidated and separate statement of financial position date. These accruals are classified as a part of non-current liabilities.

Employee entitlements to annual leave and leave passage are recognised when they accrue to the employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the consolidated and separate statement of financial position date. These accruals are included in current liabilities.

(k) Revenue recognition

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Dividend, interest and other income

Interest income is recognised using the effective interest rate (EIR)

The EIR is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

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

Brokerage revenue is recognised on completion of the deal.

Net income from financial instruments at fair value through profit and loss includes all realised and unrealised fair value changes and foreign exchange differences, interest and dividend income, including dividend expense on securities sold short.

(l) Directors' remuneration

The Directors' remuneration is governed as set out in the Memorandum of Association of the Parent Company, applicable provisions of the Commercial Companies Law issued by the Ministry of Commerce, Industry and Investment Promotion and relevant Regulations issued by the FSA.

(m) Dividend distribution

Dividends are recommended by the Board of Directors after considering the profit available for distribution and the Parent Company's future cash requirements and are subject to approval by the shareholders at the Annual General Meeting. Dividends are recognised as a liability in the consolidated and separate financial statements in the period in which they are approved by the shareholders'.

(n) Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Such liabilities are subsequently stated at amortised cost using effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated and separate statement of profit or loss and other comprehensive income over the period of the borrowings using the EIR method.

(o) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. However borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till such time as the asset is put to commercial use. Thereafter all borrowings costs are expensed. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(p) Foreign currencies transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

(q) Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Income tax on the results for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

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

A deferred tax asset is recognised only to the extent it is probable that future taxable profit will be available against which the asset can be utilised and is subsequently reduced to the extent that is no longer probable that the related tax benefit will be realised.

(r) Leases - the Group and the Parent Company as a lessee

The Group and the Parent Company assesses whether a contract is or contains a lease, at the inception of the contract. The Group and the Parent Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, consistent with accounting policy of previous year for all operating leases, the Group and the Parent Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(s) Determination of fair values

A number of the Group's and the Parent Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5 Critical accounting estimates and key source of estimation uncertainty

Preparation of consolidated and separate financial statements in accordance with IFRS Accounting Standards requires the Group's and the Parent Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and separate financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these consolidated and separate financial statements relate to:

(a) Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter-alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;

b) timing and quantum of future capital expenditure;

c) long-term growth rates; and

d) selection of discount rates to reflect the risks involved.

(b) Economic useful lives of property, plant and equipment

The Group's and the Parent Company's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, plant and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group and the Parent Company.

(c) Classification of investments

In the process of applying the Group's and the Parent Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through profit or loss or through other comprehensive income. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

(d) Fair valuation of investments

The Group and the Parent Company determines fair values of investments that are not quoted in active markets by using valuation techniques such as discounted cash flows and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flow models have been used to estimate fair values, the future cash flows have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited financial statements and un-audited management accounts.

(e) Allowance for ECL on trade receivables

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

(f) Provision for slow and non-moving inventories

The Group and the Parent Company creates a provision for obsolete and slow-moving inventories. Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated and separate statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

(g) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(h) Going concern

The management of the Group and the Parent Company reviews the consolidated and separate financial position of the Group and the Parent Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Group and the Parent Company ensure that they provide adequate financial support to fund the requirements of the Group and the Parent Company to ensure the going concern status of the Group and the Parent Company.

(i) Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Group and the Parent Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group and the Parent Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

(j) Fair value measurements

A number of assets and liabilities included in the Group's and the Parent Company's consolidated and separate financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's and the Parent Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

6 Property, plant and equipment

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

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

The property, plant and equipment of subsidiaries are mortgaged as security against Government loans and other term loans. The depreciation charge for the Group for the year has been included in cost of sales amounting to RO 181,427 (2023: RO 182,694) and administration expenses amounting to RO 55,771 (2023: RO 97,051).

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

Group	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
2023						
Cost						
At 1 January 2023	1,996,407	6,730,604	877,808	203,339	217,828	10,025,986
Additions during the year	-	7,121	3,636	4,642	-	15,399
Disposals during the year	-	-	-	-	(6,451)	(6,451)
At 31 December 2023	1,996,407	6,737,725	881,444	207,981	211,377	10,034,934
Accumulated depreciation						
At 1 January 2023	1,074,813	5,526,549	766,315	183,075	217,813	7,768,565
Charge for the year	48,215	144,729	71,984	14,817	-	279,745
Disposals during the year	-	-	-	-	(6,451)	(6,451)
At 31 December 2023	1,123,028	5,671,278	838,299	197,892	211,362	8,041,859
Net book amount						
At 31 December 2023	873,379	1,066,447	43,145	10,089	15	1,993,075

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

Parent Company

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

Parent Company

2023	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost					
At 1 January 2023	345,000	331,975	88,887	137,595	903,457
Additions during the year	-	-	3,557	-	3,557
At 31 December 2023	345,000	331,975	92,444	137,595	907,014
Accumulated depreciation					
At 1 January 2023	47,150	226,915	76,987	137,595	488,647
Charge for the year	13,800	66,395	11,889	-	92,084
At 31 December 2023	60,950	293,310	88,876	137,595	580,731
Net book amount					
At 31 December 2023	284,050	38,665	3,568	-	326,283

7 Cash and cash equivalents

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Cash on hand	**2,057**	2,378	**1,022**	1,252
Cash at bank	**2,153,562**	1,417,179	**411,117**	265,494
	2,155,619	1,419,557	**412,139**	266,746
Expected credit loss allowance	**(240)**	(185)	**-**	-
	2,155,379	1,419,372	**412,139**	266,746

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

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Cash and bank balances	**2,155,379**	1,419,372	**412,139**	266,746
Bank overdrafts	**(68,608)**	(94,144)	**-**	(25,836)
Restricted bank balances	**(92,424)**	(92,424)	**(92,424)**	(92,424)
	1,994,347	1,232,804	**319,715**	148,486

(b) The movement in allowance for expected credit losses on cash and bank balances is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**185**	185	**-**	-
Allowance for the year	**55**	-	**-**	-
Closing balance	**240**	185	**-**	-

8 Trade and other receivables

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Trade receivables	**1,247,139**	1,207,961	**-**	-
Due from related parties (Note 24)	**15,359**	70,019	**99,982**	-
ECL allowance on trade and related party receivables	**(82,130)**	(83,900)	**-**	-
	1,180,368	1,194,080	**99,982**	-
Other receivables	**203,831**	180,388	**179,355**	178,822
ECL allowance on other receivables	**(118,586)**	(118,586)	**(118,586)**	(118,586)
	1,265,613	1,255,882	**160,751**	60,236
Prepaid expenses	**72,416**	51,830	**14,270**	14,740
	1,338,029	1,307,712	**175,021**	74,976

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

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**202,486**	266,980	**118,586**	249,461
Reversal for the year	**(1,770)**	(8,400)	**-**	(130,875)
Written-off during the year	**-**	(56,094)	**-**	-
Closing balance	**200,716**	202,486	**118,586**	118,586

(b) As at 31 December 2024, trade receivables of the Group amounting to RO 82,130 (2023: RO 83,900) were assessed as impaired and fully provided for.

(c) The fair values of trade and other receivables approximate their carrying values. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

9 Inventories

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Stores and spares	**292,582**	446,409	**-**	-
	292,582	446,409	**-**	-

10 Investments at fair value through profit or loss

(a) The movement in investments at fair value through profit or loss during the year was as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**14,731,511**	14,641,548	**10,375,967**	10,883,176
Purchases during the year	**983,360**	3,383,263	**-**	1,089,546
Sales during the year	**(2,107,828)**	(3,229,475)	**(395,200)**	(1,296,765)
Realised fair value gains on sale of investments	**262,670**	477,867	**124,323**	293,514
Unrealised fair value loss for the year	**(17,367)**	(541,692)	**(92,146)**	(593,504)
Closing balance	**13,852,346**	14,731,511	**10,012,944**	10,375,967

(b) The investments at fair value through profit or loss are denominated in the following currencies:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Omani Rials	**10,011,332**	10,505,515	**8941759**	9,383,673
UAE Dirhams	**1,794,329**	1,774,247	**1071185**	992,294
Saudi Rials	**642,607**	1,125,629	**-**	-
Qatari Rials	**295,832**	288,475	**-**	-
Kuwaiti Dinars	**1**	76,925	**-**	-
Others	**1,108,245**	960,720	**-**	-
	13,852,346	14,731,511	**10,012,944**	10,375,967

(c) A detailed-sector wise analysis of financial assets at fair value through profit or loss is disclosed under Note 11.

(d) Investments at fair value through profit or loss of RO 4,228,654 (2023: RO 5,488,349) are pledged by the Parent Company with commercial banks as security against credit facilities provided (Notes 21 and 22).

11 Investments analysis

The following tables provide, the Group's and the Parent Company's investments in equity securities comprising of investments at fair value through profit or loss.

(a) Details where the holding of the Group and the Parent Company is 10% or more of the market value of its investment:

	% of investment portfolio	Number of securities	Carrying and fair value	Original cost
Group – local quoted				
31 December 2024				
Bank Muscat SAOG	**16**	**19,177,370**	**4,832,697**	**2,812,323**
31 December 2023				
Bank Muscat SAOG	16	19,177,370	5,062,826	2,812,323
Parent Company – local quoted				
31 December 2024				
Bank Muscat SAOG	**16**	**19,177,370**	**4,832,697**	**2,812,323**
31 December 2023				
Bank Muscat SAOG	18	19,177,370	5,062,826	2,812,323

(b) Details where the holdings of the Group and the Parent Company is 10% or more of the investee company's share capital:

	% of investment portfolio	Number of securities	Carrying and fair value	Original cost
Group – local quoted				
31 December 2024				
Computer Stationery Industry Company SAOG	**14**	**1,443,710**	**375,365**	**468,504**
National Aluminium Products Company SAOG	**13**	**1,139,364**	**45,575**	**455,746**
		2,583,074	**420,940**	**924,250**
31 December 2023				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	4,462,500	348,075	852,792
		5,906,210	723,440	1,321,296

Sector-wise analysis of investment of at fair value through profit or loss is as follows:

Group	**2024**		2023	
	Fair value	**Original cost**	Fair value	Original cost
Local quoted investments:				
Banking and investment sector	**5,861,670**	**3,077,352**	6,134,995	3,218,818
Manufacturing sector	**420,939**	**831,110**	684,842	1,081,630
Services and other sectors	**791,343**	**788,025**	784,369	859,230
	7,073,952	**4,696,487**	7,604,206	5,159,678
Group				
Overseas quoted investments:				
Banking and investment sector	**940,249**	**884,522**	1,616,592	1,488,486
Manufacturing sector	**1,736,105**	**1,106,578**	1,547,917	1,234,939
Services and other sectors	**1,079,592**	**1,229,458**	954,170	993,080
	3,755,946	**3,220,558**	4,118,679	3,716,505
Local unquoted investments:				
Banking and investment sector	**641,351**	**553,459**	611,601	553,459
Manufacturing sector	**2,291,155**	**2,335,288**	2,289,708	2,320,879
Others	**4,874**	**5,174**	-	-
	2,937,380	**2,893,921**	2,901,309	2,874,338
Overseas unquoted investments:				
Banking and investment sector	**85,068**	**266,985**	107,317	266,985
	85,068	**266,985**	107,317	266,985
Total investment	**13,852,346**	**11,077,951**	14,731,511	12,017,506

Parent Company	2024		2023	
	Fair value	Original cost	Fair value	Original cost
Local quoted investments:				
Banking and investment sector	**5,648,502**	**2,868,722**	5,758,624	2,843,273
Manufacturing sector	**420,939**	**831,110**	524,496	920,656
Services and other sectors	**550,648**	**517,367**	778,883	853,715
	6,620,089	**4,217,199**	7,062,003	4,617,644
Overseas quoted investments:				
Services and other sectors	**986,117**	**514,862**	884,977	514,862
	986,117	**514,862**	884,977	514,862
Local unquoted investments:				
Banking and investment sector	**308,142**	**250,000**	308,142	250,000
Services and other sectors	**2,013,528**	**2,064,282**	2,013,528	2,064,282
	2,321,670	**2,314,282**	2,321,670	2,314,282
Overseas unquoted investments:				
Banking and investment sector	**85,068**	**266,985**	107,317	266,985
	85,068	**266,985**	107,317	266,985
Total investment	**10,012,944**	**7,313,328**	10,375,967	7,713,773

12 Investment in associates

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**16,444,544**	15,798,771	**14,611,372**	14,231,630
Share of net profit for the year	**1,261,925**	948,346	**1,159,342**	682,315
Dividends received	**(656,855)**	(302,573)	**(529,502)**	(302,573)
Closing balance	**17,049,614**	16,444,544	**15,241,212**	14,611,372

	Oman Hotels and Tourism Company SAOC		Oman Fiber Optics Company SAOC		Total	
	2024	2023	**2024**	2023	**2024**	2023
Assets						
Cash and bank balances	**17,795**	65,399	**5,447,307**	3,848,412	**5,465,102**	3,913,811
Investments	**20,557,382**	20,183,539	**-**	-	**20,557,382**	20,183,539
Other assets	**21,301,307**	19,194,858	**23,017,346**	23,808,942	**44,318,653**	43,003,800
Total assets	**41,876,484**	39,443,796	**28,464,653**	27,657,354	**70,341,137**	67,101,150
Total liabilities	**(12,871,336)**	(12,055,440)	**(7,218,121)**	(8,954,120)	**(20,089,457)**	(21,009,560)
Net asset	**29,005,148**	27,388,356	**21,246,532**	18,703,234	**50,251,680**	46,091,590
Net revenue	**1,880,037**	2,308,197	**24,727,853**	20,873,587	**26,607,890**	23,181,784
Net nvestment and other income	**946,728**	818,481	**301,826**	156,029	**1,248,554**	974,510
Expenses	**(2,492,772)**	(2,824,580)	**(19,065,028)**	(18,017,695)	**(21,557,800)**	(20,842,275)
Net Profit before tax for the year	**333,993**	302,098	**5,964,651**	3,011,921	**6,298,644**	3,314,019
Income tax	**(29,601)**	(189,265)	**(896,062)**	71,456	**(925,663)**	(117,809)
Net profit after tax for the year	**304,392**	112,833	**5,068,589**	3,083,377	**5,372,981**	3,196,210

	Oman Hotels and Tourism Company SAOC		Oman Fiber Optics Company SAOC		Total	
	2024	2023	**2024**	2023	**2024**	2023
At 1 January *	**22,019,066**	21,906,233	**18,703,234**	17,062,881	**40,722,300**	38,969,114
Net profit for the year	**304,392**	112,833	**5,068,589**	3,083,377	**5,372,981**	3,196,210
Dividends paid	**-**	-	**(2,525,291)**	(1,443,024)	**(2,525,291)**	(1,443,024)
At 31 December	**22,323,458**	22,019,066	**21,246,532**	18,703,234	**43,569,990**	40,722,300
Shareholding – %	**31.72%**	31.72%	**20.97%**	20.97%	**-**	-
– RO	**7,081,640**	6,985,078	**4,454,964**	3,921,686	**11,536,604**	10,906,764
Goodwill	**2,713,227**	2,713,227	**991,381**	991,381	**3,704,608**	3,704,608
Carrying value	**9,794,867**	9,698,305	**5,446,345**	4,913,067	**15,241,212**	14,611,372
Cost of investments	**5,328,367**	5,328,367	**2,742,573**	2,742,573	**8,070,940**	8,070,940
Dividends received	**-**	-	**529,502**	302,602	**529,502**	302,602
Share of results	**96,562**	35,791	**1,062,780**	646,584	**1,159,342**	682,375

* Opening net assets of Oman Hotels and Tourism Company SAOC does not include RO 5,321,948 relating to a revaluation of the assets carried in its accounting records which are now revalued at RO 6,634,348 (Note 20).

13 Investment in subsidiaries

Name of the subsidiary	**Share holding percentage**	**Cost**
Omani Euro Food Industries Company SAOG	**81%**	**1,616,747**
The Financial Corporation Company SAOG (Fincorp)	**51%**	**5,083,591**
		6,700,338

	31 December 2024		
	Omani Euro Food Industries Company SAOG	**The Financial Corporation Company SAOG**	**Total**
Cost	**1,616,747**	**5,083,591**	**6,700,338**
Impairment allowance (a)	**(1,616,747)**	**(1,383,604)**	**(3,000,351)**
Revised cost	**-**	**3,699,987**	**3,699,987**
Opening carrying value	**-**	**3,852,232**	**3,852,232**
Share of results	**-**	**(221,869)**	**(221,869)**
Closing carrying value	**-**	**3,630,363**	**3,630,363**

	31 December 2023		
	Omani Euro Food Industries Company SAOG	The Financial Corporation Company SAOG	Total
Cost	1,616,747	5,083,591	6,700,338
Impairment allowance (a)	(1,616,747)	(1,383,604)	(3,000,351)
Revised cost	-	3,699,987	3,699,987
Opening carrying value	-	3,596,035	3,596,035
Share of results	-	256,197	256,196
Closing carrying value	-	3,852,232	3,852,231

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

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

(b) The Parent Company has partially pledged its investment in subsidiaries with commercial banks against credit facilities obtained (Note 21 and Note 22).

	Omani Euro Food Industries Company SAOG		The Financial Corporation Company SAOG		Total	
	2024	2023	**2024**	2023	**2024**	2023
Summarised statement of financial position						
Assets						
Cash and bank balances	**114,244**	89,113	**1,628,996**	1,063,513	**1,743,240**	1,152,626
Investments	**-**	-	**3,839,402**	4,355,544	**3,839,402**	4,355,544
Trade and other receivables	**360,935**	478,832	**902,051**	744,311	**1,262,986**	1,223,143
Investment in associates	**-**	-	**1,808,403**	1,833,172	**1,808,403**	1,833,172
Investment property	**-**	-	**270,000**	270,000	**270,000**	270,000
Other assets	**2,133,560**	2,490,763	**49,855**	65,370	**2,183,415**	2,556,133
Total assets	**2,608,739**	3,058,708	**8,498,707**	8,331,910	**11,107,446**	11,390,618

Liabilities	Omani Euro Food Industries Company SAOG		The Financial Corporation Company SAOG		Total	
	2024	2023	**2024**	2023	**2024**	2023
Government soft loans	**(3,653,000)**	(3,653,000)	**-**	-	**(3,653,000)**	(3,653,000)
Lease liabilities	**(401,564)**	(400,615)	**-**	-	**(401,564)**	(400,615)
Due to banks	**(68,608)**	(68,308)	**-**	-	**(68,608)**	(68,308)
Amounts due to related parties	**(121,836)**	(16,944)	**-**	-	**(121,836)**	(16,944)
Trade and other payables	**(302,459)**	(440,545)	**(807,953)**	(807,806)	**(1,110,412)**	(1,248,351)
Provision for claims	**-**	-	**(600,000)**	-	**(600,000)**	-
Total liabilities	**(4,547,467)**	(4,579,412)	**(1,407,953)**	(807,806)	**(5,955,420)**	(5,387,218)
Net assets	**(1,938,728)**	(1,520,704)	**7,090,754**	7,524,104	**5,152,026**	6,003,400
Share of non-controlling interest	**(371,481)**	(291,383)	**3,460,392**	3,671,873	**3,088,911**	3,380,490
Summarised statement of profit or loss and other comprehensive income						
Net revenue	**56,290**	211,975	**169,104**	288,301	**225,394**	500,276
Investment and other income	**479**	34,480	**549,716**	716,611	**550,195**	751,091
Expenses	**(474,793)**	(452,297)	**(1,137,606)**	(487,218)	**(1,612,399)**	(939,515)
(Loss)/profit before tax	**(418,024)**	(205,842)	**(418,786)**	517,694	**(836,810)**	311,852
Income tax	**-**	-	**(14,564)**	(17,296)	**(14,564)**	(17,296)
Net (loss)/profit after tax	**(418,024)**	(205,842)	**(433,350)**	500,398	**(851,374)**	294,556
Net (loss)/profit attributable to the Parent Company	**(337,926)**	(205,842)	**(221,869)**	500,398	**(557,595)**	294,556

14 Financial assets at amortised cost

The Parent Company subscribed to the participating shares of a company that extended "Murhabha Finance" to a school in the UAE for a period of 6 years. On a back-to-back arrangement, this investment carried an average yield of 9% per annum and matured in September 2023. The return from this investment was being accounted for as part of dividend income.

(a) The movement in financial assets at amortised cost is as follows:

	Parent Company	
	31 December 2024	31 December 2024
Opening balance	**-**	2,099,271
Amortisation of placement fee	**-**	(5,300)
Redemption on maturity	**-**	(2,093,971)
Closing balance	**-**	-

15 Right-of-use asset and lease liabilities

The carrying amount of right-of-use asset recognised and the movement during the year is as follows:

	Group	
	31 December 2024	31 December 2023
As at 1 January	**372,270**	385,565
Amortisation charge for the year	**(13,295)**	(13,295)
As at 31 December	**358,975**	372,270

Lease liability is presented in the Group's consolidated statement of financial position as follows:

	Group	
	31 December 2024	31 December 2023
Current portion	**20,624**	17,621
Non-current portion	**380,940**	382,994
	401,564	400,615

Omani Euro Foods Industries SAOG, a subsidiary, has lease liability for the land obtained from Madayn, Sohar. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and corresponding lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the subsidiary to sublet the asset to another party, the right-of-use asset can only be used by the subsidiary. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The subsidiary is prohibited from selling or pledging the underlying leased assets as security.

Right-to-use asset	**Number of right of use assets leased**	**Range of remaining term**	**Number of right of use assets leased**	**Number of leases with options to purchase**	**Number of lease with termination options**
Land	**1**	**28**	**1**	**-**	**-**

	Within one year	**1-2 years**	**2-3 years**	**3-5 years**	**After 5 years**	**Total**
Lease payments	**20,624**	**20,624**	**23,718**	**47,436**	**728,413**	**840,815**
Finance charges	**(3,903)**	**(4,757)**	**(6,404)**	**(15,417)**	**(408,770)**	**(439,251)**
Net present value	**16,721**	**15,867**	**17,314**	**32,019**	**319,643**	**401,564**

16 Investment properties

	Group		**Parent Company**	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**2,826,450**	2,950,650	**2,556,450**	2,680,650
Less: depreciation charge for the year	**(124,200)**	(124,200)	**(124,200)**	(124,200)
Closing balance	**2,702,250**	2,826,450	**2,432,250**	2,556,450

The investment properties relating to the Parent Company are stated at cost amounting to RO 3,105,000 less accumulated depreciation. In the opinion of the management, the market value of these investment properties as at 31 December 2024 approximate their carrying amounts.

17 Deferred tax

Deferred tax is calculated on all material temporary differences under the liability method using a principal tax rate of 15% (2023: 15%). The deferred tax pertains to FINCORP, a subsidiary, which has recognised a deferred tax asset amounting to RO 46,507 (2023: RO 61,071) as at 31 December 2024 and the same is calculated on all material temporary differences under the liability method using a principal tax rate of 15%. Consequently, an amount of RO 14,564 (2023: RO 17,295) has been recognised in profit or loss. The deferred tax asset recognised in the Group’s consolidated statement of financial position relates to the following:

31 December 2024	**1 January 2024**	**Charge for the year**	**31 December 2024**
Deferred tax asset			
Tax effect of provisions	**11,694**	**(265)**	**11,429**
Tax effect of investments and others	**(21,412)**	**(12,726)**	**(34,138)**
Tax effect of losses	**70,789**	**(1,573)**	**69,216**
	61,071	**(14,564)**	**46,507**

31 December 2023	1 January 2023	Charge for the year	31 December 2023
Deferred tax asset			
Tax effect of accelerated tax depreciation	-		-
Tax effect of provisions	21,369	(9,675)	11,694
Tax effect of change in fair value of investment and others	(111,760)	90,348	(21,412)
Tax effect of losses	168,757	(97,968)	70,789
	78,366	(17,295)	61,071

18 Share capital

The authorised share capital of the Parent Company is RO 20,000,000, comprising of 200,000,000 ordinary shares of RO 0.100 each (31 December 2023: RO 20,000,000, comprising of 200,0000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 121,187,500 (31 December 2023: 121,187,500) ordinary shares of RO 0.100 each (31 December 2023: RO 0.100 each).

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

	31 December 2024		31 December 2023	
	Percentage shareholding	**Number of shares**	Percentage shareholding	Number of shares
Brig.(Rtd) Masoud Humaid Al Harthy	**24.99%**	**30,456,562**	-	-
Abu Dhabi Investment Company, UAE	**-**	**-**	30.00%	36,562,500
Al Khonji Invests LLC and Group, Oman	**21.76%**	**26,523,038**	21.16%	25,791,833

19 Legal reserve

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

20 Revaluation reserve

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

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

	31 December 2024	31 December 2023
Associates	**2,104,605**	1,688,274

21 Bank borrowings

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Banks in Oman (Note a)	**68,608**	94,144	**-**	25,836

(a) The Group's and the Parent Company's bank overdraft facilities carry effective annual interest rates ranging from 6.00% to 6.50% (2023: from 6.00% to 6.50%) per annum. The overdraft is secured by a pledge over the Parent Company's certain financial assets and investments in subsidiaries (Notes 10, 12 and 13).

22 Term loans

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Banks in Oman (Note a)	**2,127,371**	2,629,917	**2,127,371**	2,629,917
Less: current portion	**1,135,292**	1,108,000	**1,135,292**	1,108,000
Non-current portion	**992,079**	1,521,917	**992,079**	1,521,917
	2,127,371	2,629,917	**2,127,371**	2,629,917

(a) The Group's and the Parent Company's RO term loans carry effective annual interest rates ranging between 6% and 6.75% per annum (2023: between 6.5% and 7.00% per annum).

(b) The maturity period of the term loans is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Within one year	**1,135,292**	1,108,000	**1,135,292**	1,108,000
More than one year	**992,079**	1,521,917	**992,079**	1,521,917

(c) The movement in term loans during the year is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
At 1 January	**2,629,917**	2,121,833	**2,629,917**	2,121,833
Availed during the year	**64,022**	1,076,084	**64,022**	1,076,084
Repayment during the year	**(566,568)**	(568,000)	**(566,568)**	(568,000)
At 31 December	**2,127,371**	2,629,917	**2,127,371**	2,629,917

(d) The term loan is secured against a pledge of certain assets (Notes 9, 10, 12, 13 and 16).

23 Loans from Government

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Loans from Government availed by:				
Parent Company	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Omani Euro Food Industries Company SAOG	**3,653,000**	3,653,000	**-**	-
	8,653,000	8,653,000	**5,000,000**	5,000,000
Less: deferred Government grant relating to:	**(351,474)**	(351,474)	**(691,880)**	(351,474)
Parent Company				
Net amount	**8,301,526**	8,301,526	**4,308,120**	4,648,526

(i) The maturity period of the loans from the Government is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Within 1 year	**7,100,000**	3,500,000	**5,000,000**	2,500,000
Within 1 - 2 years	**600,000**	3,000,000	**-**	2,500,000
Within 2 - 5 years	**953,000**	2,153,000	**-**	-
Total	**8,653,000**	8,653,000	**5,000,000**	5,000,000

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

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

24 Related party transactions and balances

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

a) Transactions with related parties included in the consolidated and separate statement of profit or loss are as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Sales and income				
Through subsidiaries/associates	**501,407**	371,901	**276,254**	-
Other related parties	**1,133,107**	643,507	**-**	-
	1,634,514	1,015,408	**276,254**	-
Purchases and expenses				
Directors and key management personnel	**442,208**	532,548	**275,144**	345,643
Other related parties	**368,492**	1,856,037	**969**	-
	810,700	2,388,585	**276,113**	345,643

b) Due from related parties

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Subsidiaries/associates/ others (Note 8)	**15,359**	70,019	**99,982**	-

c) Due to related parties

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Directors	**14,262**	112,535	**300**	73,465
Others	**10,874**	16,875	**-**	-
	25,136	129,410	**300**	73,465

d) The remuneration of directors and other members of key management during the year was as follows:

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Directors' sitting fees (Note 31)	**95,800**	51,100	**30,700**	17,400
Directors' remuneration	**-**	98,000	**-**	68,000
	95,800	149,100	**30,700**	85,400
Key management personnel				
- Short-term benefits	**343,037**	372,906	**241,631**	256,216

25 Trade and other payables

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Trade payables	**767,992**	238,208	**30,721**	23,089
Other payables (b)	**372,540**	1,025,871	**131,011**	173,900
Interest payable	**415,688**	373,242	**415,688**	373,242
Employee benefit liabilities (a)	**149,214**	143,371	**28,197**	18,764
Due to Directors	**14,262**	112,535	**300**	73,465
Unclaimed dividends	**92,424**	92,424	**92,424**	92,424
Contract liabilities	**-**	10,039	**-**	-
Due to related parties	**10,874**	20,222	**-**	3,347
Provision for income tax	**7,614**	7,614	**-**	-
Provision for claim (Note 43)	**600,000**	-	**-**	-
	2,430,608	2,023,526	**698,341**	758,231

(a) Employee benefit liabilities

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Opening balance	**143,371**	133,322	**18,764**	11,988
Charge for the year	**20,404**	24,606	**9,433**	6,776
Payments during the year	**(14,561)**	(14,557)	**-**	-
Closing balance	**149,214**	143,371	**28,197**	18,764

(b) The provision for claim which is based on the preliminary investigation report submitted by an independent consultant to one of the subsidiary, FINCORP, amounted to RO 600,000 which is charged to the profit or loss for the year. This provision is subject to change based on any further developments that may take place with respect to the investigation which is currently on-going (Note 43).

26 Dividends

No cash dividend was approved in the Annual General Meeting of the Parent Company held on 28 March 2024. In the year 2023, a cash dividend of 7.5 baizas per share amounting to RO 916,096 was paid out for the year 2022.

27 Net investment income

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Realised income				
Dividend income	**612,722**	743,782	**416,576**	549,981
Realised profit on sale of investments at fair value through profit or loss	**262,670**	477,867	**124,323**	293,514
Rental income	**140,373**	144,238	**140,373**	144,239
Brokerage commission income	**75,362**	154,996	**-**	-
Asset management fees	**93,742**	133,305	**-**	-
Interest income	**161**	257	**161**	257
Total realised investment income (A)	**1,185,030**	1,654,445	**681,433**	987,991
Unrealised loss				
Unrealised loss on investments at fair value through profit or loss	**(17,367)**	(541,692)	**(92,146)**	(593,504)
Total unrealised loss (B)	**(17,367)**	(541,692)	**(92,146)**	(593,504)
Total investment income (A+B)	**1,167,663**	1,112,753	**589,287**	394,487
Less: investment related expenses	**(1,701)**	(11,853)	**(1,701)**	(11,853)
Total net investment income	**1,165,962**	1,100,900	**587,586**	382,634

28 Gross profit on sale of food products

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
Sales	**1,373,164**	1,945,980
Cost of sales	**(1,316,874)**	(1,734,005)
Gross profit	**56,290**	211,975

29 Other income

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Miscellaneous income	**106,339**	56,832	**68,000**	1,737

30 Salaries and other related staff costs

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Salaries and benefits	**717,670**	744,066	**295,045**	328,920
Employees end-of-service benefits (Note 25)	**20,404**	24,606	**9,433**	6,776
Post employees benefits	**23,636**	12,729	**12,682**	12,729
	761,710	781,401	**317,160**	348,425

31 Administrative expenses

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Depreciation (Note 6 and Note 16)	**179,911**	221,251	**177,647**	216,284
Other expenses	**59,431**	124,463	**17,931**	13,142
Legal and professional fees	**104,562**	104,552	**35,109**	37,627
Penalty imposed by FSA	**50,000**	-	**-**	-
Directors' sitting fees (Note 24)	**95,800**	51,100	**30,700**	17,400
Repairs and maintenance expenses	**47,197**	51,728	**23,429**	24,750
Security market fees and charges	**69,987**	80,410	**21,937**	44,156
Postage, fax and telephone expenses	**21,908**	20,825	**6,575**	6,028
Rent expenses	**18,968**	19,029	**2,168**	2,229
Insurance expenses	**16,601**	19,735	**4,060**	4,327
Electricity and water expenses	**20,662**	22,933	**13,550**	15,800
Advertisement and promotion expenses	**84,593**	5,839	**2,528**	3,397
Travelling expenses	**4,688**	11,463	**4,130**	4,948
General meeting expenses	**10,390**	5,665	**10,390**	5,665
	784,698	738,993	**350,154**	395,753

32 Investment related expenses

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	**Year ended 31 December 2024**	Year ended 31 December 2023
Brokerage expenses	**969**	6,552	**969**	6,552
Amortisation of placement charges	**732**	5,301	**732**	5,301
	1,701	11,853	**1,701**	11,853

33 Taxation

(a) The Tax Authority in Oman follows the legal entity concept. There is no concept of Group taxation in Oman.

(b) The tax assessment for the Parent Company has been completed up to the tax year 2020. The Parent Company does not expect to have any material impact for unassessed tax years.

(c) For the year 2022, no provision for taxation is recognised in the separate financial statements of the Parent Company, since the Parent Company has sufficient brought forward losses to offset against taxable income.

Furthermore, deferred tax asset is not recognised on brought forward tax losses, since management anticipates that future taxable profits may not be sufficient to adjust any deferred tax asset prior to expiry of tax losses over next 5 years.

(d) For Omani Euro Food Industries Company SAOG, no provision for taxation has been made as this subsidiary has reported tax losses in the current and previous years.

34 Trust accounts

One of the subsidiaries, Fincorp's, fiduciary activities consist of investment management activities conducted as trustee and manager for a number of investment funds and individuals. The aggregate amounts of customers' securities held with the subsidiary under trust account agreements or under safe custody are as follows:

	Group	
	Year ended	Year ended
	31 December 2024	31 December 2023
Amounts held in:		
Non-discretionary trust accounts	**6,224,149**	69,770
Discretionary trust accounts	**5,007,921**	2,053,034
	11,232,070	2,122,804

35 Basic/diluted earnings per share

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

	Group		Parent Company	
	Year ended	Year ended	**Year ended**	Year ended
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Net profit after tax for the year (RO)	**363,085**	179,933	**701,012**	346,334
Weighted average number of shares (Number)	**121,875,000**	121,875,000	**121,875,000**	121,875,000
Earnings per share attributable to shareholders of the Parent Company (RO)	**0.003**	0.001	**0.006**	0.003

No figure for diluted earnings per share has been presented because the Parent Company has not issued any instruments which would have an impact on earnings per share when exercised.

36 Net assets per share

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

	Group		Parent Company	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Net assets (RO)	**22,783,807**	22,420,722	**24,351,053**	23,650,041
Number of shares outstanding (Number)	**121,875,000**	121,875,000	**121,875,000**	121,875,000
Net assets per share (RO)	**0.187**	0.184	**0.200**	0.194

37 Segmental information

Management has determined the operating segments based on the reports reviewed by the Investment Committee that are used to make strategic decisions.

The Investment Committee considers the business as two sub-portfolios. These sub-portfolios consist of investments in Oman and in United Arab Emirates.

The reportable operating segments derive their income by seeking investments/funds to achieve targeted returns consummated with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in value of investments.

The segment information provided to Investment Committee for the reportable segments is as follows:

The Group operates in the investment industry. The Group's operating revenues arise primarily from investment activities. The Group operates in two geographic locations; the Sultanate of Oman and the United Arab Emirates. The analysis of income, expenses, profits and assets and liabilities is based primarily upon the location of the activity responsible for reporting the results.

	Oman		UAE		Total	
	2024	2023	**2024**	2023	**2024**	2023
Group						
A: Segment results						
Sales	**1,373,164**	1,945,980	**-**	-	**1,373,164**	1,945,980
Less: cost of sales	**(1,316,874)**	(1,734,005)	**-**	-	**(1,316,874)**	(1,734,005)
Gross profit	**56,290**	211,975	**-**	-	**56,290**	211,975
Investment income	**715,921**	706,180	**142,104**	(26,225)	**858,025**	679,955
Interest income	**161**	257	**-**	-	**161**	257
Management fees	**93,742**	133,305	**-**	-	**93,742**	133,305
Brokerage income	**75,362**	154,996	**-**	-	**75,362**	154,996
Other income	**246,712**	201,070	**-**	-	**246,712**	201,070
Share of results from equity accounted investees	**1,181,941**	948,346	**-**	-	**1,181,941**	948,346
Total income	**2,370,129**	2,356,129	**142,104**	(26,225)	**2,512,233**	2,329,904
Interest expense	**(271,964)**	(150,793)	**(86,073)**	-	**(358,037)**	(150,793)
Depreciation and amortisation	**(179,911)**	(221,251)	**-**	-	**(179,911)**	(221,251)
Impairment of receivables	**(600,000)**	-	**-**	-	**(600,000)**	-
Other expenses	**(1,333,534)**	(1,374,879)	**(34,665)**	-	**(1,368,199)**	(1,374,879)
Reportable segment (loss) /profit before tax	**(15,280)**	609,206	**21,366**	(26,225)	**6,086**	582,981
B: Segment assets:						
Investment in equity accounted investees	**16,969,632**	16,444,544	**-**		**16,969,632**	16,444,544
Other investments	**12,781,161**	13,739,217	**1,071,186**	992,294	**13,852,347**	14,731,511
Other assets	**8,485,094**	8,319,105	**166,813**	107,255	**8,651,907**	8,426,360
Total segment assets	**38,235,887**	38,502,866	**1,237,999**	1,099,549	**39,473,886**	39,602,415
Total segment liabilities	**10,874,932**	11,015,105	**2,806,220**	2,786,098	**13,681,152**	13,801,203

38 Capital risk management

The capital is managed by the Group and the Parent Company in a way that it is able to continue to operate as a going concern while maximising returns to the shareholders.

The capital of the Parent Company consists of share capital, reserves and retained earnings. The Parent Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

39 Financial assets and liabilities and risk management

(a) Financial assets and liabilities

Financial assets and liabilities carried on the consolidated and separate statement of financial position include cash and bank balances, investments at FVTPL, Investment in associates, investment in subsidiaries, trade and other receivables, bank borrowings, term loan, loan and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Financial risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Board of Directors. The Parent Company provides principles for overall risk management, as well as policies covering specific areas.

(c) Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Parent Company manages their capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2024 and 31 December 2023.

40 Financial risk management

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group and the Parent Company are exposed to foreign exchange risk arising from various currency exposures. Significant portion of revenues and major operating costs are either denominated in RO or AED. As the AED is pegged against the RO, the management does not believe that the Group and the Parent Company are exposed to any material foreign exchange risk.

Management considers that sensitivity analysis is not necessary due to the Group's and the Parent Company's limited exposure to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Group and the Parent Company are exposed to interest rate risk as the Group and the Parent Company have interest-bearing term loans and bank borrowings at commercial interest rates. Sensitivity analysis of interest rates is as follows: if the interest rates were to be 50 basis points higher or lower with all other variables held constant, the Group's net profit would decrease or increase by RO 10,980 and the Parent Company's net profit would decrease or increase by RO 10,637 (2023: the Group's net profit would decrease or increase by RO 13,620 and the Parent Company's net profit would decrease or increase by RO 13,150).

(iii) Price risk

The Company's quoted investments are subject to market price risk arising from uncertainties about future prices of equities. Market price risk is managed through the diversification of the quoted investments. The Company's quoted investments are publicly traded on the Muscat Stock Exchange. Equity price risk arises mostly from financial assets at fair value through profit or loss. The Company has maintained the portfolio of securities listed on the Muscat Stock Exchange and other foreign stock markets. Material investment within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management department/Board of Directors. At the end of reporting period, a change in the market price of investments by 5% would have impacted the net profit by RO 500,647 (2023 : RO 518,798).

(b) Credit risk

Credit risk on trade receivables is limited to their carrying values as management regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt. Credit risk is managed mainly through credit terms to customers backed by confirmed letters of credit. There is no concentration of credit risk with respect to trade receivables as the Group and the Parent Company have a large number of customers, both locally and internationally.

The Group and the Parent Company allocate each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating.

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's and the Parent Company's view of economic conditions over the expected lives of the receivables.

Since, as for each potential customer there is no independent rating, the Group's credit committee assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors.

The Group and the Parent Company did not identify any material impairment loss on other financial assets as at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's and the Parent Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet any future commitments. The Group and the Parent Company manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

The liquidity risk profile of the Group is as follows:

Liabilities as at 31 December 2024	**Contractual cash flows**	**Total**	**Less than 1 year**	**More than 1 year**
Lease liabilities	**401,564**	**401,564**	**20,624**	**380,940**
Bank borrowings	**68,608**	**68,608**	**68,608**	**-**
Term loan	**2,127,371**	**2,127,371**	**1,135,292**	**992,079**
Trade and other payables	**2,430,608**	**1,830,608**	**1,830,608**	**-**
Loan from Government	**8,653,000**	**8,653,000**	**7,100,000**	**1,553,000**
	13,681,151	**13,081,151**	**10,155,132**	**2,926,019**
Liabilities as at 31 December 2023				
Lease liabilities	400,615	400,615	17,621	382,994
Bank borrowings	94,144	94,144	94,144	-
Term loan	2,629,917	2,629,917	1,108,000	1,521,917
Trade and other payables	2,023,526	2,023,526	2,023,526	-
Loan from Government	8,653,000	8,653,000	7,100,000	1,553,000
	13,801,202	13,801,202	10,343,291	3,457,911

The liquidity risk profile of the Parent is as follows:

Liabilities as at 31 December 2024	**Contractual cash flows**	**Total**	**Less than 1 year**	**More than 1 year**
Term loan	**2,127,371**	**2,127,371**	**1,135,292**	**992,079**
Trade and other payables	**698,341**	**698,341**	**698,341**	**-**
Loan from Government	**5,000,000**	**5,000,000**	**5,000,000**	**-**
	7,825,712	**7,825,712**	**6,833,633**	**992,079**
Liabilities as at 31 December 2023				
Term loan	2,629,917	2,629,917	1,108,000	1,521,917
Trade and other payables	758,231	758,231	758,231	-
Loan from Government	5,000,000	5,000,000	2,500,000	2,500,000
	8,388,148	8,388,148	4,366,231	4,021,917

(d) Fair value estimation

For financial instruments that are measured in the consolidated and separate statement of financial position at fair value, the Group and the Parent Company are required to disclose the fair value measurement by level of the following fair value hierarchy:

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

The valuation of each publicly traded investment is based upon the closing market price of that investment as of the valuation date, less a discount if the security is restricted.

Group

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 31 December 2024				
Investment at FVTPL	**13,852,346**	**10,829,898**	**-**	**3,022,448**
Investment in associates	**17,049,614**	**-**	**-**	**17,049,614**
Investment property	**2,702,250**	**-**	**-**	**2,702,250**
Nature of the financial instrument				
As at 31 December 2023				
Investment at FVTPL	14,731,511	11,722,885	-	3,008,626
Investment in associates	16,444,544	-	-	16,444,544
Investment property	2,826,450	-	-	2,826,450

Parent Company

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 31 December 2024				
Investment at FVTPL	**10,012,944**	**7,606,206**	**-**	**2,406,738**
Investment in associates	**15,241,212**	**-**	**-**	**15,241,212**
Investment in subsidiaries	**3,630,363**	**-**	**-**	**3,630,363**
Investment property	**2,432,250**	**-**	**-**	**2,432,250**
Nature of the financial instrument				
As at 31 December 2023				
Investment at FVTPL	10,375,967	7,946,980	-	2,428,987
Investment in associates	14,611,372	-	-	14,611,372
Investment in subsidiaries	3,852,231	-	-	3,852,231
Investment property	2,556,450	-	-	2,556,450

41 Notes supporting the consolidated and separate statement of cash flows

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

Group	Term loan	Loan from Government	Lease liabilities
2024			
At 1 January 2024	**2,629,917**	**5,000,000**	**400,615**
Cash inflows	**64,022**	**-**	**-**
Cash outflows	**(566,568)**	**-**	**(20,624)**
Non-cash changes	**-**	**-**	**21,573**
At 31 December 2024	**2,127,371**	**5,000,000**	**401,564**
Group			
2023			
At 1 January 2023	2,121,833	7,500,000	399,715
Cash inflows	1,076,084	-	-
Cash outflows	(568,000)	(2,500,000)	(20,624)
Non-cash changes	-	-	21,524
At 31 December 2023	2,629,917	5,000,000	400,615

Parent Company	Term loan	Loan from Government
2024		
At 1 January 2024	**2,629,917**	**5,000,000**
Cash inflows	**64,022**	**-**
Cash outflows	**(566,568)**	**-**
At 31 December 2024	**2,127,371**	**5,000,000**
Parent Company		
2023		
At 1 January 2023	2,121,833	7,500,000
Cash inflows	1,076,084	-
Cash outflows	(568,000)	(2,500,000)
At 31 December 2023	2,629,917	5,000,000

42 Contingent liabilities

	Group	
	31 December 2024	31 December 2023
Outstanding bank guarantees	**15,000**	15,000

43 Fraud investigation relating to subsidiary - Fincorp

i) During the year 2023, irregularities were detected in the brokerage division of Fincorp, leading to the appointment of a consultant, to investigate the matter. Phase 1 of the investigation has been completed, and Phase 2 is ongoing. The consultant's initial findings indicate financial misreporting through trade discrepancies (fraudulent trade shifts), which have resulted in the understatement of client receivables and payables by an equivalent amount. The management of Fincorp is in the process of obtaining confirmation of balances from all clients and reconciling their balances.

ii) The above misstatements resulting from fraudulent trade shifts have also impacted the accurate reporting of brokerage commission income in the prior years.

iii) The investigation has identified unauthorised transactions in margin trading facilities with an overseas broker, resulting in losses, which were charged to various client accounts.

iv) Additionally, the report highlights instances of trade manipulation, where certain employees benefited from trade to the detriment of Fincorp and its clients. The management of Fincorp is evaluating legal measures to recover the losses from the individuals involved.

v) The consultant and Fincorp's management are working to meet with all clients and ensure all necessary documentation is available to adjust client account balances. Further, meetings and client confirmations are required to finalise the reconciliation of balances and determine the accurate financial impact on the financial statements of Fincorp.

vi) At the end of the reporting period, the Board of Directors of Fincorp have recognised a provision of RO 600,000 for any potential future claims arising from the settlement of client accounts. The provision represents Fincorp management's best estimate of the financial impact of the above irregularities based on currently available information.

vii) At 31 December 2024, the reported net equity of Fincorp was RO 7.09 million. In the opinion of the Fincorp's is management, account balances which are affected due to the above mentioned fraud are 'Trade and other receivables' stated at RO 0.902 million and 'Trade and other payables' stated at RO 0.771 million. All other assets such as bank balances and cash of RO 1.6 million and investments of RO 5.9 million, in aggregate, amounting to RO 7.5 million, are correctly stated.