

**Oman and Emirates Investment
Holding Company SAOG**

**Consolidated and separate condensed
interim financial information
for the nine-month period ended 30
September 2023**

**OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS
SUBSIDIARIES**

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OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

ADMINISTRATION AND CONTACT DETAILS AS AT 30 SEPTEMBER 2023

Commercial Registration Number	1411411
VAT Registration Number	OM1100092401
Board of Directors	Mr. Mohammed Darwish Al Khoori - Chairperson Mr. Saed Saif Nasir Al Saadi - Vice Chairperson Mr. Ahmed Salem Abdulla Melaih Al Neyadi - Director Mr. Jabara Mohamed Jabara Hasan Al Marar - Director Mr. Salim Taman Al Maashani - Director
Audit Committee	Mr. Jabara Mohamed Jabara Hasan Al Marar - Chairman Mr. Saed Saif Nasir Al Saadi - Member Mr. Salim Taman Al Maashani - Member
Nomination and Remuneration Committee	Mr. Ahmed Salem Abdulla Melaih Al Neyadi - Chairperson Mr. Mohammed Darwish Al Khoori - Member Mr. Salim Taman Al Maashani - Member
Executive Management	Mr. Raffy Manoug Kozadjian - Acting Chief Executive Officer Mr. Shah Abbas Jaffer Rizvi - Finance Manager
Internal Auditor	Abu Timam Grant Thornton (outsourced professional firm)
Registered Office	P.O. Box 2205 Postal Code 112, Ruwi Muscat Sultanate of Oman
Bankers	National Bank of Oman SAOG Oman Arab Bank SAOG Ahli Bank SAOG Bank Dhofar SAOG Bank Muscat SAOG First Abu Dhabi Bank, Oman Branch First Abu Dhabi Bank, UAE Abu Dhabi Commercial Bank
Auditors	BDO LLC Suites 601 & 602 Pent House, Beach One Bldg. Way No. 2601, Shatti Al Qurum PO Box 1176, Ruwi, PC 112 Muscat Sultanate of Oman

Independent Auditor's Review on the Consolidated and Separate Condensed Interim Financial Information

Introduction

We have reviewed the consolidated and separate condensed statement of financial position of Oman and Emirates Investment Holding Company SAOG ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2023, and the related consolidated and separate condensed statement of profit or loss and other comprehensive income, the consolidated and separate condensed statement of changes in shareholders' equity and the consolidated and separate condensed statement of cash flows for the nine-month period then ended, and notes to the consolidated and separate condensed financial information, including a summary of significant accounting policies (the condensed interim financial information). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and the relevant disclosure requirements issued by the Capital Market Authority (CMA). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The consolidated and separate financial statements of the Group and Parent Company for the year ended 31 December 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on 08 March 2023.

The consolidated and separate condensed interim financial information of the Group and Parent Company for the nine month period ended 30 September 2022 was reviewed by another auditor, who expressed a modified conclusion on those interim financial information on 9 November 2022, on the similar lines as reported below in our *Basis for Qualified Conclusion* paragraphs.

Basis for Qualified Conclusion

Based on information provided to us by the management, the Group has consolidated the financial information of its subsidiaries based on management accounts of those subsidiaries prepared as at, and for the nine-month period ended, 30 September 2023. Furthermore, the Group's share of results of operations of the associates in the condensed interim financial information is also accounted for based on their respective management accounts prepared as at, and for the nine-month period ended, 30 September 2023. These management accounts have not been reviewed by their independent auditors. Consequently, we were unable to determine whether any adjustments to these amounts were considered necessary.

Based on information provided to us by the management, investments in unquoted securities in the subsidiaries of the Group are reported at their fair values as at 31 December 2022. These investments are not revalued at the end of the current reporting period. Had these investments been revalued at the end of the current reporting period, the carrying value of these investments may differ from the reported amount. Consequently, we were unable to determine whether any adjustments to these amounts were considered necessary.



Conclusion

Based on our review, with the exception of the matters described in the *Basis for Qualified Conclusion* paragraphs above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information

- is not prepared, in all material respects, in accordance with IAS 34; and
- does not comply, in all material aspects, with the minimum disclosures requirements issued by the CMA.

BDO

Muscat, Sultanate of Oman
12 November 2023



Bipin Kapur
Partner

M. No: 043615

Institute of Chartered Accountants of India, New Delhi, India

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Notes	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
		30 September	30 September	31 December	30 September	30 September	31 December
		2023	2022	2022	2023	2022	2022
ASSETS							
Cash and bank balances	5	1,336,728	4,933,154	2,588,582	579,128	3,111,082	964,158
Trade and other receivables	6	1,378,287	1,910,767	1,487,530	64,683	34,844	206,666
Inventories		498,557	502,584	456,254	-	-	-
Investments at fair value through profit or loss	7	13,993,997	14,719,029	14,641,548	9,533,280	11,314,649	10,883,176
Investment in associates	8	16,047,501	15,585,746	15,798,771	14,316,868	13,966,118	14,231,630
Investment in subsidiaries	9	-	-	-	3,733,466	3,722,204	3,596,035
Financial assets at amortised cost	10	2,093,971	2,101,966	2,099,271	2,093,971	2,101,966	2,099,271
Investment properties	11	2,857,500	2,981,700	2,950,650	2,587,500	2,711,700	2,680,650
Property, plant and equipment	4	2,058,619	2,328,496	2,257,421	344,526	439,967	414,810
Right-of-use asset		385,565	43,577	385,565	-	-	-
Deferred tax asset		39,272	78,494	78,367	-	-	-
TOTAL ASSETS		40,689,997	45,185,513	42,743,959	33,253,422	37,402,530	35,076,396
EQUITY							
Capital and reserves							
Share capital	15	12,187,500	12,187,500	12,187,500	12,187,500	12,187,500	12,187,500
Legal reserve	16	4,991,892	4,991,892	4,991,892	4,062,500	4,062,500	4,062,500
Retained earnings		5,065,431	6,060,159	5,977,493	7,160,089	7,988,739	7,969,803
Total capital and reserves of Parent Company		22,244,823	23,239,551	23,156,885	23,410,089	24,238,739	24,219,803
Non-controlling interest		3,282,467	3,311,099	3,175,730	-	-	-
TOTAL EQUITY		25,527,290	26,550,650	26,332,615	23,410,089	24,238,739	24,219,803

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

**CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

Notes	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	Group RO	Group RO	Group RO	Parent RO	Parent RO	Parent RO
LIABILITIES						
Lease liabilities	399,715	53,454	399,715	-	-	-
Bank overdrafts	5	68,308	211,952	79,890	143,644	11,582
Term loans	12	1,730,762	2,311,176	2,121,833	1,730,762	2,311,176
Trade and other payables	13	1,810,922	2,405,281	2,656,906	612,571	708,971
Loans from Governments	14	11,153,000	13,653,000	11,153,000	7,500,000	7,500,000
TOTAL LIABILITIES		15,162,707	18,634,863	16,411,344	9,843,333	10,856,593
TOTAL EQUITY AND LIABILITIES		40,689,997	45,185,513	42,743,959	33,253,422	35,076,396
Net assets per share	22	0.183	0.191	0.190	0.192	0.199

The unaudited consolidated and separate condensed interim financial information, as set out on pages 3 to 27, were approved and authorised for issue by the Board of Directors on 12 November 2023 and signed on their behalf by:

Mr. Mohamed Darwish Al Khoori
Chairman



Raffy Maribug Kozadjan
Acting Chief Executive Officer

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

Notes	1 January 2023 to 30 September	1 January 2023 to 30 September	1 July 2023 to 30 September	1 July 2022 to 30 September	1 January 2023 to 30 September	1 January 2022 to 30 September	1 July 2023 to 30 September	1 July 2022 to 30 September
	2023 Group RO	2022 Group RO	2023 Group RO	2022 Group RO	2023 Parent RO	2022 Parent RO	2023 Parent RO	2022 Parent RO
Interest income	192	308	65	308	192	308	65	308
Rental income	111,347	89,057	32,943	32,852	111,347	89,057	32,943	32,852
Brokerage commission income	118,017	115,690	32,128	53,184	-	-	-	-
Dividend income	650,075	645,804	54,209	76,988	465,191	541,743	11,765	62,709
Realised profit / (loss) on sale of investments at fair value through profit or loss	141,990	1,961,516	42,072	14,125	761	1,872,507	-	(14,756)
Unrealised (loss)/profit on investments at fair value through profit or loss	(434,185)	708,575	(287,522)	406,909	(346,645)	791,989	(238,327)	425,607
Share of profit / (loss) from investments in associates and subsidiaries	551,302	(278,315)	187,458	(23,072)	525,242	(144,017)	191,517	28,302
Gross profit on sale of food products	174,767	146,749	7,037	31,127	-	-	-	-
Asset management fees	68,662	76,005	23,474	23,479	-	-	-	-
Other income	40,715	45,840	12,432	30,530	-	318	-	318
Total income	1,422,882	3,511,229	104,296	646,430	756,088	3,151,905	(2,037)	535,340
 Expenses								
Staff costs-	(547,231)	(568,589)	(181,334)	(180,466)	(225,144)	(223,694)	(72,368)	(65,736)
Administrative expenses	(519,116)	(516,206)	(166,765)	(166,104)	(300,484)	(282,333)	(90,992)	(87,022)
Investment related expenses	(8,353)	(7,995)	-	(2,694)	(8,353)	(7,995)	-	(2,694)
Total expenses	(1,074,700)	(1,092,790)	(348,099)	(349,264)	(533,981)	(514,022)	(163,360)	(155,452)
Operating profit for the period	348,182	2,418,439	(243,803)	297,166	222,107	2,637,883	(165,397)	379,888
 Finance costs	(198,318)	(426,038)	(79,183)	(69,570)	(115,725)	(341,961)	(50,995)	(41,791)
Profit/(loss) before tax for the period	149,864	1,992,401	(322,986)	227,596	106,382	2,295,922	(216,392)	338,097

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

**CONSOLIDATED AND SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 (continued)**

Notes	(Unaudited) 1 January 2023 to 30 September	(Unaudited) 1 January 2022 to 30 September	(Unaudited) 1 July 2023 to 30 September	(Unaudited) 1 July 2022 to 30 September	(Unaudited) 1 January 2023 to 30 September	(Unaudited) 1 January 2022 to 30 September	(Unaudited) 1 July 2023 to 30 September	(Unaudited) 1 July 2022 to 30 September
	2023 Group	2022 Group	2023 Group	2022 Group	2023 Parent	2022 Parent	2023 Parent	2022 Parent
		RO	RO	RO	RO	RO	RO	RO
Income tax	(39,093)	-	-	15,869	-	-	-	-
Net profit/(loss) after tax and total comprehensive income/(loss) for the period	110,771	1,992,401	(322,986)	243,465	106,382	2,295,922	(216,392)	338,097
Net profit/(loss) after tax attributable to:								
Parent Company	4,034	2,166,940	(291,642)	282,288	106,382	2,295,922	(216,392)	338,097
Non-controlling interest	106,737	(174,539)	(31,344)	(38,823)	-	-	-	-
	110,771	1,992,401	(322,986)	243,465	106,382	2,295,922	(216,392)	338,097
Earnings per share basic and diluted	21	0.000	0.018	(0.002)	0.002	0.001	0.019	(0.002)
								0.003

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

**CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

Group	Attributable to Owners of the Group						Total equity RO
	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO	Non- controlling interest RO		
As at 31 December 2021 (audited)	12,187,500	4,991,892	3,893,219	21,072,611	3,485,638		24,558,249
Net profit after tax and total comprehensive income for the period	-	-	2,166,940	2,166,940	(174,539)		1,992,401
As at 30 September 2022 (un-audited)	12,187,500	4,991,892	6,060,159	23,239,551	3,311,099		26,550,650
Net profit after tax and total comprehensive income for the period	-	-	(82,666)	(82,666)	(135,369)		(218,035)
As at 31 December 2022 (audited)	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 period	-	-	4,034	4,034	106,737		110,771
Dividends paid	-	-	(916,096)	(916,096)	-		(916,096)
As at 30 September 2023 (un-audited)	12,187,500	4,991,892	5,065,431	22,244,823	3,282,467		25,527,290

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OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

**CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO
Parent				
As at 31 December 2021 (audited)	12,187,500	4,062,500	5,692,817	21,942,817
Net profit after tax and total comprehensive income for the period	-	-	2,295,922	2,295,922
At 30 September 2022 (un-audited)	12,187,500	4,062,500	7,988,739	24,238,739
Net profit after tax and total comprehensive income for the period			(18,936)	(18,936)
As at 31 December 2022 (audited)	12,187,500	4,062,500	7,969,803	24,219,803
Net profit after tax and total comprehensive income for the period	-	-	106,382	106,382
Dividends paid	-	-	(916,096)	(916,096)
As at 30 September 2023	12,187,500	4,062,500	7,160,089	23,410,089

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**CONSOLIDATED AND SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

	Notes	(Unaudited) 1 January 2023 to 30 September 2023	(Unaudited) 1 January 2022 to 30 September 2022	(Unaudited) 1 January 2023 to 30 September 2023	(Unaudited) 1 January 2022 to 30 September 2022
Cash flows from operating activities					
Profit before tax for the period		149,864	1,992,401	106,382	2,295,922
Adjustments for:					
Interest income		(192)	(308)	(192)	(308)
Depreciation and amortization	4	310,675	326,509	170,335	176,563
Share of (profit) /losses from investment in associates and subsidiaries	8	(551,302)	278,315	(525,242)	144,017
Dividends income		(650,075)	(645,804)	(465,191)	(541,743)
Unrealised (gain)/loss on financial assets at fair value through profit or loss	7	434,185	(708,575)	346,645	(791,989)
Realised (profit)/losses on sale of investments at fair value through profit or loss	7	(141,990)	(1,961,516)	(761)	(1,872,507)
Provision for employees' benefit liabilities		18,302	18,199	5,190	8,636
Provision for impaired trade receivable written-off		(61,094)	-	-	-
Finance costs		198,318	426,038	115,725	341,961
		(293,309)	(274,741)	(247,109)	(239,448)
Inventories		(42,303)	(68,192)	-	-
Trade and other receivables	6	170,337	(838,602)	141,983	1,810
Trade and other payables	13	(862,408)	481,354	(615,797)	11,544
Cash used in operating activities		(1,027,683)	(700,181)	(720,923)	(226,094)
Finance costs paid		(198,318)	(426,038)	(115,725)	(341,961)
Employees' benefit liabilities paid	13	(1,878)	(149,054)	-	(124,157)
Net cash used in operating activities		(1,227,879)	(1,275,273)	(836,648)	(692,212)
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(13,423)	(22,159)	(1,600)	(371)
Dividend income received		650,266	646,112	465,382	542,051
Dividend income received from associates		302,573	236,188	302,573	151,286
Proceeds from disposal of investments at fair value through profit or loss		2,242,852	9,773,195	1,004,012	8,001,099
Purchase of investments at fair value through profit or loss		(1,887,495)	(1,340,875)	-	-
Net cash from investing activities		1,294,773	9,292,461	1,770,367	8,694,065
Cash flows from financing activities					
Repayment of bank borrowings		(448,000)	(846,188)	(448,000)	(846,188)
Proceeds from bank borrowings		56,929	56,553	56,929	56,553
Dividends paid to shareholders		(916,096)	-	(916,096)	-
Government soft loan repayment		-	(3,795,803)	-	(3,795,803)
Net cash used in financing activities		(1,307,167)	(4,585,438)	(1,307,167)	(4,585,438)
Net change in cash and cash equivalents		(1,240,273)	3,431,750	(373,448)	3,416,415
Cash and cash equivalents, beginning of the period		2,416,269	1,197,028	860,152	(541,401)
Cash and cash equivalents, end of the period		1,175,996	4,628,778	486,704	2,875,014

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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 is engaged in investing activities and related services with Royal Decree No. 10/93 and its Article of Association. The Company’s shares are listed on the Muscat Stock Exchange. The Parent Company operates in the Sultanate of Oman. It has a branch which operates under the relevant local requirements of the United Arab Emirates (UAE).

The Group has the following subsidiaries and associates:

	Country of incorporation	Shareholding percentage		Principal activities
		2023	2022	
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	81	81	Manufacture of baby food
The Financial Corporation Company SAOG and its subsidiaries	Oman	51	51	Financial services
Associates				
Oman Hotels and Tourism Company SAOC and its subsidiaries	Oman	32	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	21	21	Fiber optic products
Fincorp Al Amal Fund	Oman	-	-	Financial services

The consolidated and separate condensed interim financial information as at, and for the nine-month period ended, 30 September 2023, comprise the results of the Company and its subsidiaries (together referred to as “the Group”).

These consolidated and separate condensed interim financial information was approved for issue by the Board of Directors on 12 November 2023.

2. Basis of preparation

(a) Statement of compliance

The consolidated and separate condensed interim financial information have been prepared in accordance with the International Financial Reporting Standards (IFRS) as promulgated by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman and the minimum disclosure requirements issued by the Capital Market Authority (CMA).

(b) Basis of measurement

The consolidated and separate condensed interim financial information for the nine-month period ended 30 September 2023 have been presented in accordance with International Accounting Standard 34 - “Interim Financial Reporting”. The accounting policies adopted in preparation of the consolidated and separate condensed interim financial information are the same that were followed as at, and for the year ended, 31 December 2022. These consolidated and separate condensed interim financial information should therefore be read in conjunction with the audited annual consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2022.

(c) Functional currencies

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

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

2. Basis of preparation (continued)

New and amended standards effective and adopted at 1 January 2023

The following new standards, amendments to existing standards or interpretations to published standards are mandatory for the first-time and have been adopted in the preparation of the consolidated and separate condensed interim financial information for the nine-month period ended 30 September 2023. The Group and the Parent Company did not have to either change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 1	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

Standards, amendments and interpretations issued but not yet effective at 1 January 2023

The following new/amended accounting standards and interpretations have been issued, but are not mandatory and have not been adopted in preparing the consolidated and separate condensed interim financial information for the nine-month period ended 30 September 2023:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024

The Group and the Parent Company have not early adopted any standard, interpretation or amendment that has been issued by the International Accounting Standards Board but is not yet effective. However, the Group and the Parent Company does not expect these standards issued by the IASB, but not yet effective, to have a material impact on the Group and the Parent Company.

3. Significant accounting policies, critical accounting estimates and key source of estimation uncertainty

(a) Significant accounting policies

The accounting policies used in the preparation of the consolidated and separate interim financial information are consistent with those used in the annual audited consolidated and separate financial statements of the Group and Parent Company prepared as at, and for the year ended, 31 December 2022, as described in those annual audited consolidated and separate financial statements.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

3. Significant accounting policies, critical accounting estimates and key source of estimation uncertainty (continued)

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

The preparation of consolidated and separate condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual figures may differ from these estimates and judgments. While preparing the unaudited consolidated and separate condensed interim financial information, the significant judgments made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2022.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The consolidated and separate condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual audited consolidated and separate financial statements and should therefore be read in conjunction with the annual audited consolidated and separate financial statements prepared as at, and for the year ended, 31 December 2022. There has been no change in the risk management policies since 31 December 2022.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

4. Property, plant and equipment

Group	Building RO	Plant and machinery RO	Furniture and fixtures RO	Office equipment RO	Vehicles RO	Total RO
2023 (Unaudited)						
Gross carrying amount:						
1 January 2023	1,996,407	6,730,604	877,808	203,339	217,828	10,025,986
Additions during the period	-	7,121	3,636	2,666	-	13,423
Disposals during the period	-	-	-	-	(6,450)	(6,450)
30 September 2023	1,996,407	6,737,725	881,444	206,005	211,378	10,032,959
Accumulated depreciation:						
1 January 2023	1,074,813	5,526,549	766,315	183,075	217,813	7,768,565
Charge for the period	36,162	108,279	53,903	13,881	-	212,225
Disposals during the period	-	-	-	-	(6,450)	(6,450)
30 September 2023	1,110,975	5,634,828	820,218	196,956	211,363	7,974,340
Net book value						
30 September 2023	885,432	1,102,897	61,226	9,049	15	2,058,619
(Unaudited)						
Gross carrying amount:						
1 January 2022	1,996,407	6,713,752	876,148	198,037	217,828	10,002,172
Additions during the period	-	16,852	132	5,174	-	22,158
30 September 2022	1,996,407	6,730,604	876,280	203,211	217,828	10,024,330
Accumulated depreciation:						
1 January 2022	1,026,599	5,382,740	686,845	158,322	215,964	7,470,470
Charge for the period	36,162	107,748	61,412	18,611	1,431	225,364
30 September 2022	1,062,761	5,490,488	748,257	176,933	217,395	7,695,834
Net book value						
30 September 2022	933,646	1,240,116	128,023	26,278	433	2,328,496

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

4. Property, plant and equipment (continued)

Group (continued)	Plant and machinery		Furniture and fixtures		Office equipment		Vehicles	Total		
	Building RO	RO	RO	RO	RO	RO				
(Audited)										
Gross carrying amount:										
1 January 2022	1,996,407	6,713,752	876,148	198,037	217,828	10,002,172				
Additions during the year	-	16,852	1,660	5,302	-	23,814				
31 December 2022	1,996,407	6,730,604	877,808	203,339	217,828	10,025,986				
Accumulated depreciation:										
1 January 2022	1,026,599	5,382,740	686,845	158,322	215,964	7,470,470				
Charge for the year	48,214	143,809	79,470	24,753	1,849	298,095				
31 December 2022	1,074,813	5,526,549	766,315	183,075	217,813	7,768,565				
Net book value										
31 December 2022	921,594	1,204,055	111,493	20,264	15	2,257,421				
 Parent Company										
2023 (Unaudited)										
Gross carrying amount:										
1 January 2023	345,000	331,975	88,887	137,595	137,595	903,457				
Additions during the period	-	-	1,600	-	-	1,600				
30 September 2023	345,000	331,975	90,487	137,595	137,595	905,057				
Accumulated depreciation:										
1 January 2023	47,150	226,915	76,987	137,595	137,595	488,647				
Charge for the period	10,350	49,796	11,738	-	-	71,884				
30 September 2023	57,500	276,711	88,725	137,595	137,595	560,531				
Net book value										
30 September 2022	287,500	55,264	1,762	-	-	344,526				

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

4. Property, plant and equipment (continued)

Parent Company (continued)	Building RO	Furniture and fixtures RO	Office equipment RO	Vehicles RO	Total RO
(Unaudited)					
Gross carrying amount:					
1 January 2022	345,000	331,975	88,516	137,595	903,086
Additions during the year	-	-	371	-	371
30 September 2022	345,000	331,975	88,887	137,595	903,457
Accumulated depreciation:					
1 January 2022	33,350	160,519	56,606	137,595	388,070
Charge for the period	10,350	49,798	15,272	-	75,420
30 September 2022	43,700	210,317	71,878	137,595	463,490
Net book value					
30 September 2022	301,300	121,658	17,009	-	439,967
 (Audited)					
Gross carrying amount:					
1 January 2022	345,000	331,975	88,516	137,595	903,086
Additions during the year	-	-	371	-	371
31 December 2022	345,000	331,975	88,887	137,595	903,457
Accumulated depreciation:					
1 January 2022	33,350	160,519	56,606	137,595	388,070
Charge for the year	13,800	66,396	20,381	-	100,577
31 December 2022	47,150	226,915	76,987	137,595	488,647
 Net book value					
31 December 2022	297,850	105,060	11,900	-	414,810

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

5. Cash and cash equivalents

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	Group RO	Group RO	Group RO	Parent RO	Parent RO	Parent RO
Cash on hand	1,955	6,574	1,181	829	1,286	579
Call and current accounts	1,334,958	4,927,353	2,587,586	578,299	3,109,796	963,579
Expected credit loss allowance	(185)	(773)	(185)	-	-	-
	1,336,728	4,933,154	2,588,582	579,128	3,111,082	964,158

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

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	Group RO	Group RO	Group RO	Parent RO	Parent RO	Parent RO
Cash and bank balances	1,336,728	4,933,154	2,588,582	579,128	3,111,082	964,158
Bank overdrafts	(68,308)	(211,952)	(79,890)	-	(143,644)	(11,582)
Restricted bank balance	(92,424)	(92,424)	(92,424)	(92,424)	(92,424)	(92,424)
	1,175,996	4,628,778	2,416,268	486,704	2,875,014	860,152

6 Trade and other receivables

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	Group RO	Group RO	Group RO	Parent RO	Parent RO	Parent RO
Trade receivables	1,328,444	1,937,407	1,345,144	-	-	-
Due from related parties	18,182	-	25,811	-	-	-
Allowance for expected credit losses on trade and related party receivables	(87,300)	(168,927)	(148,394)	-	-	-
	1,259,326	1,768,480	1,222,561	-	-	-
Other receivables	185,177	334,524	329,139	171,121	270,393	311,256
Allowance for expected credit losses on other receivables	(118,586)	(249,461)	(118,586)	(118,586)	(249,461)	(118,586)
Prepaid expenses	1,325,917	85,063	1,433,114	52,535	20,932	192,670
	52,370	57,224	54,416	12,148	13,912	13,996
	1,378,287	1,910,767	1,487,530	64,683	34,844	206,666

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

6 Trade and other receivables (continued)

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

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Opening balance	266,980	418,388	418,388	118,586	249,461	249,461
Reversed during the period/year	(61,094)	-	(151,408)	-	-	(130,875)
Closing balance	<u>205,886</u>	<u>418,388</u>	<u>266,980</u>	<u>118,586</u>	<u>249,461</u>	<u>118,586</u>

7. Investments at fair value through profit or loss

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

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Opening balance	14,641,548	20,481,259	20,481,259	10,883,176	16,651,253	16,651,253
Purchases during the period/year	1,887,495	1,340,875	2,005,053	-	-	-
Sales during the period/year	(2,100,862)	(7,811,680)	(8,322,400)	(1,003,251)	(6,128,592)	(6,559,920)
Unrealised fair value (losses)/gains for the period/year	(434,184)	708,575	477,636	(346,645)	791,988	791,843
Closing balance	<u>13,993,997</u>	<u>14,719,029</u>	<u>14,641,548</u>	<u>9,533,280</u>	<u>11,314,649</u>	<u>10,883,176</u>
Realised gains on disposal	141,990	1,961,516	2,167,844	761	1,872,507	2,072,147

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

8. Investment in associates

The movement in investment in associates during the period/year is as follows:

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Unaudited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Unaudited) 31 December 2022
Group	Group RO	Group RO	Group RO	Parent RO	Parent RO	Parent RO
Opening balance	15,798,771	16,100,249	16,100,248	14,231,630	14,110,383	17,110,382
Share of net profit/(loss) for the period/year	551,303	(278,315)	(65,290)	387,811	7,021	272,533
Dividends received	(302,573)	(236,188)	(236,187)	(302,573)	(151,286)	(151,285)
Closing balance	<u>16,047,501</u>	<u>15,585,746</u>	<u>15,798,771</u>	<u>14,316,868</u>	<u>13,966,118</u>	<u>14,231,630</u>
Group			Holding (%)	Carrying value RO	Cost RO	Share of results RO
30 September 2023 (Unaudited)						
Oman Hotels and Tourism Company SAOC			31	9,610,623	5,328,367	(51,887)
Oman Fiber Optic Company SAOC			21	4,706,245	2,742,573	439,698
Fincorp's Holding in Fincorp Al Amal Fund			37	1,730,633	1,881,271	163,492
				<u>16,047,501</u>	<u>9,952,211</u>	<u>551,303</u>
30 September 2022 (Unaudited)						
Oman Hotels and Tourism Company SAOC			31	9,550,129	5,328,367	(163,658)
Oman Fiber Optic Company SAOC			21	4,415,989	2,742,573	170,679
Fincorp's Holding in Fincorp Al Amal Fund			37	1,619,628	1,881,271	(285,336)
				<u>15,585,746</u>	<u>9,952,211</u>	<u>(278,315)</u>
31 December 2022 (Audited)						
Oman Hotels and Tourism Company SAOC			31	9,662,511	5,328,367	(51,276)
Oman Fiber Optic Company SAOC			21	4,569,119	2,742,573	323,809
Fincorp's Holding in Fincorp Al Amal Fund			35	1,567,141	1,881,271	(337,823)
				<u>15,798,771</u>	<u>9,952,211</u>	<u>(65,290)</u>
Parent			Holding (%)	Carrying value RO	Cost RO	Share of results RO
30 September 2023 (Unaudited)						
Oman Hotels and Tourism Company SAOC			31	9,610,623	5,328,367	(51,887)
Oman Fiber Optic Company SAOC			21	4,706,245	2,742,573	439,698
				<u>14,316,868</u>	<u>8,070,940</u>	<u>387,811</u>

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

8. Investment in associates (continued)

	Holding (%)	Carrying value RO	Cost RO	Share of results RO
30 September 2022 (Unaudited)				
Oman Hotels and Tourism Company SAOC	31	9,550,129	5,328,367	(163,658)
Oman Fiber Optic Company SAOC	21	4,415,989	2,742,573	170,679
		<u>13,966,118</u>	<u>8,070,940</u>	<u>7,021</u>
31 December 2022 (Audited)				
Oman Hotels and Tourism Company SAOC	31	9,662,511	5,328,367	(51,276)
Oman Fiber Optic Company SAOC	21	4,569,119	2,742,573	323,809
		<u>14,231,630</u>	<u>8,070,940</u>	<u>272,533</u>

The consolidated and separate condensed interim financial information as at, and for the nine-month period ended, 30 September 2023, includes un-reviewed financial information of the associates.

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

9 Investment in subsidiaries

	%	Cost RO	Impairment allowance RO	Revised cost RO	Opening carrying value RO	Share of results RO	Closing carrying value RO
30 September 2023 (Unaudited)							
Omani Euro Food Industries Company SAOG	81	1,616,747	(1,616,747)	-	-	-	-
The Financial Corporation Company SAOG and its subsidiaries	51	5,083,591	(1,383,604)	3,699,987	3,596,035	137,431	3,733,466
		<u>6,700,338</u>	<u>(3,000,351)</u>	<u>3,699,987</u>	<u>3,596,035</u>	<u>137,431</u>	<u>3,733,466</u>
30 September 2022 (Unaudited)							
Omani Euro Food Industries Company SAOG	81	1,616,747	(1,616,747)	-	-	-	-
The Financial Corporation Company SAOG and its subsidiaries	51	5,083,591	(1,383,604)	3,699,987	3,873,243	(151,039)	3,722,204
		<u>6,700,338</u>	<u>(3,000,351)</u>	<u>3,699,987</u>	<u>3,873,243</u>	<u>(151,039)</u>	<u>3,722,204</u>
31 December 2022 (Audited)							
Omani Euro Food Industries Company SAOG	81	1,616,747	(1,616,747)	-	-	-	-
The Financial Corporation Company SAOG and its subsidiaries	51	5,083,591	(3,000,351)	3,699,987	3,873,243	(277,208)	3,596,035
		<u>6,700,338</u>	<u>(4,617,098)</u>	<u>3,699,987</u>	<u>3,873,243</u>	<u>(277,208)</u>	<u>3,596,035</u>

- (a) The original cost of investment in Fincorp amounting to RO 5,083,591 includes goodwill of RO 1,383,604 which has been fully impaired and recognised in profit or loss in the previous years. The original cost of investment in Omani Euro Food Industries Company SAOG amounting to RO 1,616,747 has been fully impaired and recognised in profit or loss in the previous years.
- (b) The Parent Company has partially pledged its investment in subsidiaries with commercial banks against credit facilities obtained.
- (c) During the period, Fincorp is liquidating Fincorp Infrastructure Development LLC which is a 100% subsidiary of Fincorp. Pursuant to the completion of liquidation procedures of the subsidiary, the amount due to the subsidiary amounting to RO 998,016 was adjusted against the carrying value of the investment of RO 790,000 and the remaining balance of RO 208,017 payable to the subsidiary was written-back to the income statement in Fincorp's financial statements. Accordingly, the impact of the same has been taken in these condensed interim financial information.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

10 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 carries an average yield of 9% per annum and matured on 30 September 2023 and the principal along with profit was received subsequent to the reporting date. The return from this investment is accounted for as dividend income.

(a) The movement in financial assets at amortised cost during the period/year is as follows:

	Group and Parent Company		
	30 September 2023 (Un-audited) RO	30 September 2022 (Un-audited) RO	31 December 2022 (Audited) RO
Opening balance	2,099,271	2,109,961	2,109,961
Amortisation of placement fee	(5,300)	(7,995)	(10,690)
Closing balance	<u>2,093,971</u>	<u>2,101,966</u>	<u>2,099,271</u>

11. Investment properties

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 30 September 2023 approximate their carrying amounts.

The movement in investment properties is as follows:

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO
Opening balance	2,950,650	3,074,850	3,074,850
Less: Depreciation	(93,150)	(93,150)	(124,200)
Closing balance	<u>2,857,500</u>	<u>2,981,700</u>	<u>2,950,650</u>

OMAN & EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

12. Term loans

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Banks in Oman	1,730,762	2,311,176	2,121,833	1,730,762	2,311,176	2,121,833

The maturity period of the term loans is as follows:

	(Unaudited) 30 September 2023 RO	(Unaudited) 30 September 2022 RO	(Audited) 31 December 2022 RO	(Unaudited) 30 September 2023 RO	(Unaudited) 30 September 2022 RO	(Audited) 31 December 2022 RO
Current portion	750,000	800,000	974,032	750,000	800,000	974,032
Non-current portion	980,762	1,511,176	1,147,801	980,762	1,511,176	1,147,801
	1,730,762	2,311,176	2,121,833	1,730,762	2,311,176	2,121,833

(a) The Group and the Parent Company's Rial Omani term loans carry effective annual interest rates ranging between 6% and 6.75% per annum (2022: between 5.5% and 6.50% per annum).

13. Trade and other payables

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Trade payables	175,769	205,594	256,568	12,260	9,911	20,183
Other payables	977,132	1,736,672	1,685,471	114,159	389,366	648,412
Interest payable	367,557	188,287	374,371	367,557	188,287	374,371
Due to Directors	26,269	25,129	89,165	4,939	13,340	75,800
Employees' benefit liabilities	149,746	128,887	133,322	17,178	10,508	11,988
Restricted cash payable	92,424	92,424	92,424	92,424	92,424	92,424
Contract liabilities	10,097	7,665	10,097	-	-	-
Due to related parties	7,874	7,874	7,874	-	-	-
Provision for income tax	-	7,614	7,614	3,266	-	-
Refundable deposit	3,266	3,266	-	-	3,266	-
Income received in advance	788	1,869	-	788	1,869	-
	1,810,922	2,405,281	2,656,906	612,571	708,971	1,223,178

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

13. Trade and other payables (continued)

(a) Employees' benefit liabilities

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
Opening balance	133,322	259,742	259,742	11,988	126,029	126,029
Charge for the period/year	18,302	18,199	22,797	5,190	8,636	10,116
Paid during the period/year	(1,878)	(149,054)	(149,217)	-	(124,157)	(124,157)
Closing balance	149,746	128,887	133,322	17,178	10,508	11,988

14. Soft loans from Governments

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	RO	RO	RO	RO	RO	RO
Loans from Government availed by:						
Parent Company Omani Euro Food Industries	7,500,000	10,000,000	7,500,000	7,500,000	10,000,000	7,500,000
Company SOAG	3,653,000	3,653,000	3,653,000	-	-	-
	11,153,000	13,653,000	11,153,000	7,500,000	10,000,000	7,500,000
Less: deferred Government grant relating to:						
Parent Company Omani Euro Foods Industries Company SAOG	(691,880)	(691,880)	(691,880)	(691,880)	(691,880)	(691,880)
	-	-	-	-	-	-
	(691,880)	(691,880)	(691,880)	(691,880)	(691,880)	(691,880)
Net amount	10,461,120	12,961,120	10,461,120	6,808,120	9,308,120	6,808,120

(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 is repayable in 6 annual instalments commencing from November 2021. A further extension was granted, and repayment of loan commenced from March 2021. Partial repayment of the first instalment amounting to RO 1.2 million was made on 31 May 2021 and full repayment of the balance outstanding of the first and second instalments totaling RO 3.8 million was made on 28 June 2022. Further, the Company settled the third instalment of RO 2.5 million on 24 November 2022 and is now fully aligned with the repayment schedule.

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

14. Soft loans from Governments (continued)

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

15. Share capital

The authorised share capital of the Parent Company is RO 20,000,000 (31 December 2022: RO 20,000,000), comprising of 200,000,000 shares of RO 0.100 each (31 December 2022: 200,000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 12,187,500 (31 December 2022: 121,875,000) ordinary shares of RO 0.100 each (31 December 2022: RO 0.100).

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

	30 September 2023		30 September 2022		31 December 2022	
	Number of shares	%	Number of shares	%	Number of shares	%
Abu Dhabi Investment Company UAE	30,000	30.00	36,562,500	30.00	36,562,500	30.00
Al Khonji Invest LLC and Group, Oman	21,390	21.39	26,079,783	21.16	25,791,833	21.16

16. 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.

17. 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 condensed interim financial information. 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 deficit is not accounted for in these consolidated and separate interim financial information.

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

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 December 2022
	Group RO	Group RO	Group RO
Associates	1,684,561	1,676,981	1,684,561

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

18. Dividends

A cash dividend of 0.0075 baiza per share amounting to RO 916,096 was approved by the shareholders in the Annual General Meeting held on 30 March 2023 which was subsequently paid in the previous period.

19. Gross profit on sale of food products

The gross profit on sale of food products recorded by the subsidiary, i.e. Oman Euro Food Industries Company SAOG is as follows:

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Unaudited) 31 December 2022 Group RO
Sales	1,517,749	1,568,047	540,655
Cost of sales	(1,342,982)	(1,421,298)	(466,362)
Gross profit	174,767	146,749	74,293

20. Related party transactions and balances

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

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
(a) Sales and income						
Associates and others	913,120	59,177	1,440	-	-	-
	913,120	59,177	1,440	-	-	-
(b) Purchases and expenses						
Directors and key management personnel	291,357	333,381	125,937	175,992	172,516	52,251
Others	566,624	22,975	5,423	-	-	-
	857,981	356,356	131,360	175,992	172,516	52,251
(c) Compensation of key management personnel						
Basic salaries and allowances	250,424	287,953	109,156	162,080	160,134	49,344
Directors' sitting fees	38,100	41,900	16,400	12,200	10,400	2,700

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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

20. Related party transactions and balances (continued)

(d) Due from related parties:

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Unaudited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 31 December 2022 Parent RO	(Unaudited) 31 December 2022 Parent RO
Associates	18,182	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,182	-	-	-	-	-

(e) Due to related parties

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Unaudited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Unaudited) 31 December 2022 Parent RO
Directors	18,891	25,129	-	4,939	13,340	-
Others	15,252	7,874	-	-	-	-
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	34,143	33,003	-	4,939	13,340	-

21. 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 during the period ended as at 30 September and year ended 31 December 2022.

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Net profit for the period/year attributable to the owners of the Parent Company	4,034	2,166,940	2,084,474	106,382	2,295,922	2,276,986
Weighted average number of shares outstanding	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000
Earnings per share	0.00003	0.018	0.017	0.0009	0.019	0.019

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NOTES TO THE CONSOLIDATED AND SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

22. 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 shares outstanding as at 30 September/31 December.

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO	(Unaudited) 30 September 2023 Parent RO	(Unaudited) 30 September 2022 Parent RO	(Audited) 31 December 2022 Parent RO
Net assets	22,244,823	23,239,551	23,156,885	23,410,089	24,238,739	24,219,803
Weighted average number of shares outstanding	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000	121,875,000
Net assets per share	<u>0.183</u>	0.191	0.190	0.192	0.199	0.199

23. Contingent liabilities

(a) The Group has issued following guarantees:

	(Unaudited) 30 September 2023 Group RO	(Unaudited) 30 September 2022 Group RO	(Audited) 31 December 2022 Group RO
Outstanding bank guarantees	<u>15,000</u>	15,000	15,000