A'Sharqiya Investment Holding Company SAOG and its subsidiary

Consolidated and separate interim financial statements for the nine-month period ended 30 September 2024

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A'Sharqiya Investment Holding Company SAOG and its subsidiary
Administration and contact details as at 30 September 2024

Commercial registration number	4090438 obtained on 19 August 1998	
VAT registration number	OM1200264509 obtained on 1 July 2022	
Board of Directors	Mohammed Ali Al Fannah	Chairman
	Sheikh Saleh Ahmed Mohamed Al Harthy	Vice - Chairman
	Bader Al Araimi	Director
	Subrata Kumar Mitra	Director
	Mubarak Juma Al Habsi	Director
	Fadwa Salem Said Al Fannah Al Araimi	Director
	Asim Salim Ali Al Ghailani	Director
Audit Committee	Sheikh Saleh Ahmed Mohamed Al Harthy	Chairman
	Bader Al Araimi	Member
	Asim Salim Ali Al Ghailani	Member
Nomination and Remuneration Committee	Mohammed Ali Al Fannah	Chairman
	Subrata Kumar Mitra	Member
	Mubarak Juma Al Habsi	Member
Board Secretary	Pandidurai Marimuthu	
Executive Management	Venkiteswaran Rajesh	General Manager
	Srinivaas Rajagopal	Finance Manager
Internal Auditor	Grant Thornton	Outsourced
	Abu Timam Chartered Certified Accountants	
Legal Advisor	Mohsin Al Hadad & Amur Al Kiyumi & Partners, Advocates and Legal Consultants	
Registered office	PO Box 47, PC 118 Ruwi, Muscat Sultanate of Oman	
Bankers	Bank Muscat SAOG Ahli Bank SAOG	
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	

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Consolidated and separate interim statement of financial position as at 30 September 2024

(Expressed in Omani Rial)

		Group		Parent Company	
ASSETS	**Notes**	**30 September 2024 (Un-audited)**	**31 December 2023 (Audited)**	**30 September 2024 (Un-audited)**	**31 December 2023 (Audited)**
Non-current assets					
Plant and equipment	6)	260,032	271,434	1,300	1,818
Lease receivables	7	3,478,104	3,518,927	-	-
Investments in equity instruments at fair value through other comprehensive income ("FVOCI")	8	7,655,746	7,798,096	7,655,746	7,798,096
Investments in equity instruments at fair value through profit or loss ("FVTPL")	9	633,481	416,074	633,481	416,074
Investments in debt instruments at FVOCI	8	150,000	150,000	150,000	150,000
Investments in debt instruments at amortised cost	9	3,199,985	2,295,028	3,199,985	2,295,028
Investment in a subsidiary	12	-	-	250,000	250,000
Deferred tax asset	27	39,463	39,463	39,463	39,463
Total non-current assets		15,416,811	14,489,022	11,929,975	10,950,479
Current assets					
Other receivables	13	376,854	190,759	87,812	126,841
Lease receivables	7	255,082	854,141	-	-
Term deposits	20	1,850,000	1,500,000	-	-
Cash and bank balances	14	261,034	1,443,098	191,909	966,133
Total current assets		2,742,970	3,987,998	279,721	1,092,974
TOTAL ASSETS		18,159,781	18,477,020	12,209,696	12,043,453
EQUITY					
Capital and reserves					
Share capital	15	9,000,000	9,000,000	9,000,000	9,000,000
Legal reserve	16	1,757,163	1,733,722	1,673,829	1,650,388
Fair value reserve	10	474,153	608,092	474,153	608,092
Retained earnings		3,155,660	3,272,138	316,060	560,255
Total capital and reserves		14,386,976	14,613,952	11,464,041	11,818,735
TOTAL EQUITY		14,386,976	14,613,952	11,464,041	11,818,735
LIABILITIES					
Non-current liabilities					
Employees' benefit liabilities	18	208,351	191,365	169,739	155,279
Lease liabilities	7	3,442,105	3,518,927	-	-
Total non-current liabilities		3,650,456	3,710,292	169,739	155,279
Current liabilities					
Other payables	19	47,525	65,236	39,702	39,439
Due to a subsidiary	21	-	-	513,417	-
Lease liabilities	7	29,488	16,266	-	-
Income tax payable	27	45,336	71,274	22,797	30,000
Total current liabilities		122,349	152,776	575,916	69,439
Total liabilities		3,772,805	3,863,068	745,655	224,718
TOTAL EQUITY AND LIABILITIES		18,159,781	18,477,020	12,209,696	12,043,453
Net assets per share	29	0.160	0.162	0.127	0.131

The unaudited consolidated and separate interim financial statements, as set out on pages 2 to 35, were approved and authorised for issue by the Board of Directors and signed on their behalf by:

Mohammed Ali Al Fannah
Chairman

Sheikh Saleh Ahmed Mohamed Al Harthy
Director

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Consolidated and separate interim statement of profit or loss and other comprehensive income for the nine months period ended 30 September 2024

(Expressed in Omani Rial)

		Group				Parent Company			
		Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 July 2024 to 30 September 2024 (Un-audited)	Period from 1 July 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 July 2024 to 30 September 2024 (Un-audited)	Period from 1 July 2023 to 30 September 2023 (Un-audited)
Income									
Dividend income	22	367,292	267,723	8,903	2,463	367,292	667,723	8,903	2,463
Interest income	22	214,922	130,283	62,360	51,536	150,539	101,387	39,664	39,345
Unrealised fair value (losses) / gains on investments at FVTPL		(18,463)	20,936	20,024	(2,827)	(18,463)	20,936	20,024	(2,827)
Realised gains on disposal of investments at FVTPL	22	21,810	24,421	7,097	21,077	21,810	24,421	7,097	21,077
Finance income on lease receivables	22	237,736	315,506	80,197	106,289	-	-	-	-
Other income	23	69,091	58,420	35,188	24,059	70,809	60,522	15,000	15,000
Total income		892,388	817,289	213,769	202,597	591,987	874,989	90,688	75,058
Expenses									
Salaries and other related staff costs	24	(232,311)	(252,806)	(76,371)	(94,968)	(232,311)	(252,806)	(76,371)	(94,968)
General and administrative expenses	25	(96,265)	(105,946)	(33,618)	(20,827)	(94,379)	(96,551)	(33,321)	(20,443)
Depreciation	6)	(12,837)	(13,675)	(3,857)	(4,557)	(1,953)	(2,773)	(229)	(929)
Other finance costs		(8,727)	(3,740)	(2,968)	(3,191)	(8,589)	(3,624)	(2,941)	(2,081)
Total expenses		(350,140)	(376,167)	(116,814)	(123,543)	(337,232)	(355,754)	(112,862)	(118,421)
Operating profit/(loss) for the period		542,248	441,122	96,955	79,054	254,755	519,235	(22,174)	(43,363)
Finance costs on lease liabilities	26	(137,236)	(137,379)	(46,697)	(46,913)	-	-	-	-
Net profit/(loss) before tax for the period		405,012	303,743	50,258	32,141	254,755	519,235	(22,174)	(43,363)
Income tax	27	(42,889)	(47,189)	(8,615)	(9,783)	(20,350)	(19,513)	-	-
Net profit/(loss) after tax for the period		362,123	256,554	41,643	22,358	234,405	499,722	(22,174)	(43,363)
Other comprehensive income:									
Items that will not be reclassified to profit or loss:									
Unrealised fair value gains/(losses) on investments in equity instruments at FVOCI	10	(140,975)	(1,629,692)	593,375	881,396	(140,975)	(1,629,692)	593,375	881,396
Other comprehensive income / (loss) for the period		(140,975)	(1,629,692)	593,375	881,396	(140,975)	(1,629,692)	593,375	881,396
Total comprehensive income /(loss) attributable to the shareholders of the Parent Company		221,148	(1,373,138)	635,018	903,754	93,430	(1,129,970)	571,201	838,033
Earnings per share - basic and diluted	28	**0.004**	**0.003**	0.000	0.000	**0.003**	**0.006**	0.000	0.000

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Consolidated and separate interim statement of changes in shareholders' equity for the nine-month period ended 30 September 2024

(Expressed in Omani Rial)

Group	Notes	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
As at 31 December 2022 (audited)		9,000,000	1,667,953	994,644	3,140,976	14,803,573
Net profit after tax for the period		-	-	-	256,554	256,554
Transactions with owners						
Dividends paid	17	-	-	-	(450,000)	(450,000)
Transferred to legal reserve	16	-	55,086	-	(55,086)	-
Other comprehensive loss for the period						
Unrealised fair value losses on equity instruments at FVOCI	10	-	-	(741,902)	-	(741,902)
Reversal of fair value reserve upon disposal of equity instruments at FVOCI	10	-	-	(32,748)	-	(32,748)
Realised gains on disposal of equity instruments at FVOCI		-	-	(13,716)	110,231	96,515
As at 30 September 2023 (un-audited)		9,000,000	1,723,039	206,278	3,002,675	13,931,992
Net profit after tax for the period		-	-	-	235,024	235,024
Transactions with owners						
Transferred to legal reserve	16	-	10,683	-	(10,683)	-
Other comprehensive income for the period						
Unrealised fair value gains on equity instruments at FVOCI		-	-	400,472	-	400,472
Reversal of fair value reserve upon disposal of equity instruments at FVOCI		-	-	1,342	45,122	46,464
As at 31 December 2023 (audited)		9,000,000	1,733,722	608,092	3,272,138	14,613,952
Net profit after tax for the period		-	-	-	362,123	362,123
Transactions with owners						
Dividends paid	17	-	-	-	(450,000)	(450,000)
Transferred to legal reserve	16	-	23,441	-	(23,441)	-
Other comprehensive income for the period						
Unrealised fair value losses on equity instruments at FVOCI	10	-	-	(140,975)	-	(140,975)
Reversal of fair value reserve upon disposal of equity instruments at FVOCI	10	-	-	7,036	-	7,036
Realised losses on disposal of equity instruments at FVOCI		-	-	-	(5,160)	(5,160)
As at 30 September 2024		9,000,000	1,757,163	474,153	3,155,660	14,386,975

Consolidated and separate interim statement of changes in shareholders' equity for the nine-month period ended 30 September 2024

(Expressed in Omani Rial)

Parent Company	**Notes**	**Share capital**	**Legal reserve**	**Fair value reserve**	**Retained earnings**	**Total**
As at 31 December 2022 (audited)		9,000,000	1,584,619	994,644	262,980	11,842,243
Net profit after tax for the period		-	-	-	499,722	499,722
Transactions with owners						
Dividends paid	17	-	-	-	(450,000)	(450,000)
Transferred to legal reserve	16	-	55,086	-	(55,086)	-
Other comprehensive income for the period						
Unrealised fair value losses on equity instruments at FVOCI	10	-	-	(741,902)	-	(741,902)
Reversal of fair value reserve upon disposal of equity instruments at FVOCI	10	-	-	(32,748)	-	(32,748)
Realised gains on disposal of equity instruments at FVOCI		-	-	(13,716)	110,231	96,515
As at 30 September 2023 (un-audited)		9,000,000	1,639,705	206,278	367,847	11,213,830
Net profit after tax for the period		-	-	-	157,969	157,969
Transactions with owners						
Transferred to legal reserve	16	-	10,683	-	(10,683)	-
Other comprehensive income for the period						
Unrealised fair value gains on equity instruments at FVOCI		-	-	400,472	-	400,472
Reversal of fair value reserve upon disposal of equity instruments at FVOCI		-	-	1,342	45,122	46,464
As at 31 December 2023 (audited)		9,000,000	1,650,388	608,092	560,255	11,818,735
Net profit after tax for the period		-	-	-	234,405	234,405
Transactions with owners						
Dividends paid	17	-	-	-	(450,000)	(450,000)
Transferred to legal reserve	16	-	23,441	-	(23,441)	-
Other comprehensive income for the period						
Unrealised fair value losses on equity instruments at FVOCI	10	-	-	(140,975)	-	(140,975)
Reversal of fair value reserve upon disposal of equity instruments at FVOCI	10	-	-	7,036	-	7,036
Realised losses on disposal of equity instruments at FVOCI		-	-	-	(5,160)	(5,160)
As at 30 September 2024		9,000,000	1,673,829	474,153	316,060	11,464,041

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Consolidated and separate interim statement of cash flows for the nine-month period ended 30 September 2024

(Expressed in Omani Rial)

	Notes	Group		Parent Company	
		Period from 1 January 2024 to 30 September 2024 (Un-audited)	**Period from 1 January 2023 to 30 September 2023 (Un-audited)**	**Period from 1 January 2024 to 30 September 2024 (Un-audited)**	**Period from 1 January 2023 to 30 September 2023 (Un-audited)**
Operating activities					
Net profit before tax for the period		405,012	303,743	254,755	519,235
Adjustments for:					
Depreciation	6)	12,837	13,675	1,953	2,773
Unrealised losses/(gains) on investments at FVTPL	9	18,463	(20,936)	18,463	(20,936)
Realised gains on disposal of investments at FVTPL	9	(21,810)	(24,421)	(21,810)	(24,421)
Amortisation of debt instruments at amortised cost		(1,727)	537	(1,727)	537
Provision for employees' benefit liabilities	18	16,986	32,689	14,460	27,563
Finance costs on lease liabilities	26	137,236	137,379	-	-
		566,997	442,666	266,094	504,751
Other receivables		(186,098)	373,824	39,029	589,712
Lease receivables		639,880	548,841	-	-
Proceeds from disposal of equity instruments at FVOCI		3,239	798,003	3,239	798,003
Purchase of investments in equity instruments at FVTPL		(517,922)	(248,775)	(517,922)	(248,775)
Purchase of investments in debt instruments at amortised cost		(903,230)	(2,036,261)	(903,230)	(2,036,261)
Proceeds from disposal of equity instruments at FVTPL		303,861	49,658	303,861	49,658
Funds placed in term deposits		(350,000)	(577,500)	-	(577,500)
Due to a subsidiary		-	-	513,417	-
Other payables		(17,692)	(582,958)	276	(2,659)
Cash used in operating activities		(460,965)	(1,232,502)	(295,236)	(923,071)
Income tax paid		(68,827)	(80,761)	(27,553)	(27,596)
Net cash used in operating activities		(529,792)	(1,313,263)	(322,789)	(950,667)
Investing activities					
Purchase of plant and equipment		(1,435)	-	(1,435)	-
Net cash used in investing activities		(1,435)	-	(1,435)	-
Financing activities					
Dividends paid		(450,000)	(450,000)	(450,000)	(450,000)
Principal paid on lease liabilities		(63,601)	(63,456)	-	-
Finance costs paid on lease liabilities		(137,236)	(137,379)	-	-
Net cash used in financing activities		(650,837)	(650,835)	(450,000)	(450,000)
Net change in cash and cash equivalents		(1,182,064)	(1,964,098)	(774,224)	(1,400,667)
Cash and cash equivalents, beginning of the period		1,443,098	4,030,401	966,133	1,940,081
Cash and cash equivalents, end of the period		261,034	2,066,303	191,909	539,414

Disclosure required by IAS 7, "Statement of Cash Flows" has been shown in Note 34 to the consolidated and separate interim financial statements.

1 **Legal status and principal activities**

A'Sharqiya Investment Holding Company SAOG ("the Parent Company") is an Omani public joint stock company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman. The Parent Company's shares are listed on the Muscat Stock Exchange. The principal activities of the Parent Company are investment related activities.

The Parent Company holds 100% shares in Qalhat Real Estate Investments & Services SPC ("the subsidiary"), a Single Person Company incorporated in the Sultanate of Oman. The principal activities of the subsidiary are real estate investment and development and leasing and maintenance of real estate properties.

The consolidated and separate interim financial statements as at, and for the nine-month period ended, 30 September 2024, comprise the results of the Parent Company and its subsidiary (together referred to as "the Group").

The Parent Company's principal place of business is located at Al Wattaya, Muscat, Sultanate of Oman.

These consolidated and separate interim financial statements were approved for issue by the Board of Directors on 6 Novmeber 2024.

2 **Basis of preparation**

(a) **Statement of compliance**

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

(b) **Basis of presentation**

The consolidated and separate interim financial statements have been prepared on the going concern and historical cost basis, except for and investments in debt instruments which are stated at amortised cost and investments in equity instruments at fair value through profit or loss and investments in equity instruments at fair value through other comprehensive income which have been measured at fair value. The preparation of consolidated and separate interim 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 measurement**

The consolidated and separate interim financial statements for the nine-month period ended 30 September 2024 have been presented in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The accounting policies adopted in preparation of the consolidated and separate interim financial statements are the same that were followed as at, and for the year ended, 31 December 2024. These consolidated and separate interim financial statements 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 2023.

(d) **Functional currencies**

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

3 Changes in accounting policies

Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2024:

Standard or Interpretation	Title
Amendments to IFRS 7	Financial Instruments Disclosures: Supplier Finance Arrangements
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

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 amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments.

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

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 (the Amendments).

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 had no effect on the consolidated and separate interim financial statements of the Group and the Parent Company.

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

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.

3 **Changes in accounting policies (continued)**

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

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 measurement of any items in the consolidated and separate interim financial statements of the Group and the Parent Company.

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 has 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 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

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 interim financial statements of the Group and the Parent Company.

4 **Material accounting policy information**

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

a) **Basis of consolidation**

The consolidated and separate interim financial statements incorporate the interim financial statements of the Parent Company and its subsidiary up to the reporting date. Control is achieved where the Parent Company has the power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns.

4 **Material accounting policy information**

a) Entities are consolidated from the date on which control is transferred to the Parent Company and ceases to be consolidated from the date on which control is transferred out of the Parent Company. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary. The Parent Company applies the acquisition method to account for business combinations in accordance with IFRS 3.

Non-controlling interests are presented in the consolidated statement of financial position within shareholders' equity, separate from the equity attributable to the shareholders. Non-controlling interests are separately disclosed in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Where necessary, adjustments are made to the interim financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company.

All inter-company transactions, balances and gains or losses on transactions between the Parent Company and its subsidiary are eliminated as part of the consolidation process.

b) **Plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Expenditure incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition are also capitalised. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of plant and equipment and can be measured reliably. All other expenditures are recognised in profit or loss as an expense when incurred.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

4 **Material accounting policy information (continued)**

b) **Plant and equipment (continued)**

The cost of plant and equipment is written-down to its residual value in equal installments over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Useful lives
Plant	20
Office equipment	2 - 5
Furniture and fixtures	5

The assets' residual values, depreciation methods and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written-down immediately to its recoverable amount.

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

Gains or losses on disposal of items of plant and equipment are determined as the difference between the sales proceeds and their carrying amounts and are taken into account in determining the operating results for the year.

c) **Investment in a subsidiary**

A subsidiary is an entity in which the Parent Company owns more than one-half of the voting power or exercises significant control. In the Parent Company's interim financial statements, the investment in subsidiary is carried at cost less provision for impairment.

d) **Cash and cash equivalents**

For the purposes of the consolidated and separate interim statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances.

e) **Provisions**

Provisions are recognised when the Group and the Parent Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Parent Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Material accounting policy information (continued)

f) **Impairment of non-financial assets**

The carrying amount of the Group's and the Parent Company's assets or its cash generating unit, other than financial assets, are reviewed at each consolidated and separate interim 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.

g) **Offsetting**

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated and separate interim statement of financial position when there is a legally enforceable right to set-off the recognised amounts and the Group or the Parent Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

h) **Employees' benefit liabilities**

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in the consolidated and separate statement of profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the consolidated and separate interim statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage is disclosed as a part of current liabilities.

i) **Financial instruments**

Financial instruments are recognised when the Group or 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.

j) **Financial assets**

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

k) **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 are either recorded in the Group's or the Parent Company's consolidated or separate interim statement of profit or loss and other comprehensive income.

4 **Material accounting policy information (continued)**

Financial instruments (continued)

Financial assets (continued)

l) **Measurement**

At initial recognition, the Group and the Parent Company measure 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 forms part of cost of acquisition.

The Group and the Parent Company have 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).

m) **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 classify 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 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).

n) **Equity instruments**

If the Group and the Parent Company elect 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 shall 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 shall be recognised in other gains/(losses) in profit or loss.

o) **Financial assets at fair value through other comprehensive income**

Equity instruments are those which are not held for trading or issued as contingent consideration in business combination, and for which the Group and the Parent Company have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss. This election is made on an investment-by-investment basis.

Debt instruments are those where the contractual cash flows are solely principal and interest and the objective of the business model is achieved both by collecting contractual cash flows and selling financial assets.

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

p) **Financial assets at fair value through profit or loss account**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss account.

Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

q) **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.

r) **Impairment of financial assets**

The Group and the Parent Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. ECL are 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 or 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’ represent the ECL that result 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 the 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.

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

s) **Income recognition**

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Group and the Parent Company reduces the carrying amount to their recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

Financial liabilities

The Group and the Parent Company determine 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.

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.

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 method after considering the directly attributable transaction costs.

The Group and the Parent Company classifies all its financial liabilities subsequently at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (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 other payables, due to a subsidiary and lease liabilities.

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.

Material accounting policy information (continued)

5) **Revenue**

Dividend income from equity instruments at fair value through profit or loss and other comprehensive income is recognised in the profit or loss when the Group's and the Parent Company's right to receive payment is established.

Interest income is recognised on a time-proportion basis using the Effective Interest Rate (EIR) method.

Interest on perpetual bonds is recognised on receipt.

Unrealised gains / (losses) in the value of equity instruments at fair value represents the difference between the present market value and the carrying amount of the assets determined on an individual scrip basis using weighted average cost of securities and is taken to the consolidated and separate interim statement of profit or loss or other comprehensive income.

Realised gains / (losses) on equity instruments at fair value are recognised and taken to profit or loss in the year of disposal of the related securities.

Finance lease income

Where the Parent Company and the Group determine that an agreement with a customer contains a finance lease, lease payments are recognised as finance income using a rate of return to give constant periodic rate of return on the investment in each year. Finance income on finance lease receivables is included in revenue due to its operating nature. Interest income including interest on finance lease receivable is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Other income

Other income is accounted for on the accruals basis, unless collectability is in doubt.

Directors' remuneration

The Parent Company follows the Commercial Companies Law and Regulations of the Sultanate of Oman, and other latest relevant directives issued by the FSA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to profit or loss in the year to which they relate.

Dividend

The Board of Directors recommends to the shareholders the dividend to be paid out of the Group's net profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman while recommending the dividend.

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Parent Company's shareholders.

Leases - the Group and the Parent Company as a lessee

The Group and the Parent Company assess whether a contract is or contains a lease, at the inception of the contract. The Group and the Parent Company recognise 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, the the Group and the Parent Company recognise 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.

Material accounting policy information (continued)

Leases - the Group and the Parent Company as a lessor

As a lessor, the Group and the Parent Company classify their leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Earnings per share

The Parent Company presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Net assets per share

The Parent Company presents net assets per share for its ordinary shareholders. Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders by the weighted average number of shares outstanding as at the consolidated and separate interim statement of financial position date.

Foreign currency 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 period-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 period. 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.

Income tax

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

Current tax is recognised in the profit or loss and as the expected tax payable on the net taxable income for the period, using tax-rates enacted or substantively enacted at the consolidated and separate interim statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred taxation is provided using the liability method 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 interim statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Determination of fair values

A number of accounting policies and disclosures of the Group and the Parent Company 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 interim 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 interim financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require 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 interim financial statements relate to:

Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived 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.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's and the Parent Company's impairment evaluation and hence results.

Economic useful lives of plant and equipment

The Group's and the Parent Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of 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.

Impairment of equity investments

The Group and the Parent Company follow the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group and the Parent Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impairment losses on other receivables

An estimate of the collectible amount of other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance for ECL applied according to the length of time and historical recovery rates.

5) **Critical accounting estimates and key source of estimation uncertainty (continued)**

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.

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.

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.

Fair value measurements

A number of assets and liabilities included in the Group’s and the Parent Company's consolidated and separate interim 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.

Classification of investments

In the process of applying the Group's and 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, debt instrument at amortised cost or financial assets at fair value 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.

Significant judgment in determining the term of lease contracts

The Group and the Parent Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group and the Parent Company have an option, under some of its leases, to lease the assets for additional terms. The Group and the Parent Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew; that is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Parent Company reassesses the lease-term if there is a significant event or change in the circumstances that is within its control and effects its ability to exercise (or not exercise) the option to renew or to terminate (e.g., a change in business strategy, construction of significant leasehold improvements or significant customisation to the leased assets).

6) Plant and equipment

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

Group

2024 (un-audited)	**Plant**	**Office equipment**	**Furniture and fixtures**	**Total**
Cost				
At 1 January 2024	308,464	45,414	57,067	410,945
Additions during the period	-	1,435	-	1,435
At 30 Septmber 2024	308,464	46,849	57,067	412,380
Accumulated depreciation				
At 1 January 2024	38,850	43,734	56,927	139,511
Charge for the period	10,884	1,915	38	12,837
At 30 Septmber 2024	49,734	45,649	56,965	152,348
Net book amount				
At 30 Septmber 2024	258,730	1,200	102	260,032

2023 (audited)	**Plant**	**Office equipment**	**Furniture and fixtures**	**Total**
Cost				
At 1 January 2023	308,464	45,414	57,070	410,948
Disposals during the year	-	-	(3)	(3)
At 31 December 2023	308,464	45,414	57,067	410,945
Accumulated depreciation				
At 1 January 2023	24,339	40,071	56,869	121,279
Charge for the year	14,511	3,663	58	18,232
At 31 December 2023	38,850	43,734	56,927	139,511
Net book amount				
At 31 December 2023	269,614	1,680	140	271,434

6 Plant and equipment (continued)

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

Parent Company

2024 (un-audited)	**Furniture and fixtures**	**Office equipment**	**Total**
Cost			
At 1 January 2024	43,943	55,695	99,638
Additions during the period	1,435	-	1,435
At 30 September 2024	45,378	55,695	101,073
Accumulated depreciation			
At 1 January 2024	42,264	55,556	97,820
Charge for the period	1,915	38	1,953
At 30 Septmber 2024	44,179	55,594	99,773
Net book amount			
At 30 Septmber 2024	1,199	101	1,300

2023 (audited)	**Furniture and fixtures**	**Office equipment**	**Total**
Cost			
At 1 January 2023	43,943	55,698	99,641
Disposals during the year	-	(3)	(3)
At 31 December 2023	43,943	55,695	99,638
Accumulated depreciation			
At 1 January 2023	38,612	55,506	94,118
Charge for the year	3,652	50	3,702
At 31 December 2023	42,264	55,556	97,820
Net book amount			
At 31 December 2023	1,679	139	1,818

7 Lease receivables

	Group		Parent Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Gross investment in leases	6,952,306	7,829,924	-	-
Less: unearned finance income	(3,219,120)	(3,456,856)	-	-
Present value of minimum lease receivables	3,733,186	4,373,068	-	-

Minimum lease receivables (undiscounted) comprise of the following:

	Group		Parent Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Less than 1 year	324,582	1,172,712	-	-
More than 1 year but less than 5 years	876,848	719,012	-	-
More than 5 years	5,739,304	5,938,002	-	-
	6,940,734	7,829,726	-	-

Present value of minimum lease receivables comprises of the following:

Less than 1 year	255,082	854,141	-	-
More than 1 year but less than 5 years	164,308	141,810	-	-
More than 5 years	3,313,796	3,377,117	-	-
	3,733,186	4,373,068	-	-

The unguaranteed residual value of the project is based on a valuation study performed by an independent valuer.

The Company's subsidiary has constructed a housing complex (the project) for the use of Oman LNG LLC (OLNG). The project was completed and handed over to OLNG in March 2002 under a finance lease arrangement. The lease agreement is for a period of twenty-three years expiring on 31 December 2024. The PEIE lease for the land is valid till 31.12.2049. The internal rate of return (IRR) on the finance lease receivables is 16% per annum (2023: 16% per annum).

The movement in unearned finance income on lease receivables during the period/year is as follows:

	Group		Parent Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Opening balance	3,456,856	3,879,290	-	-
Recognised during the period / year	(237,736)	(422,434)	-	-
Closing balance	3,219,120	3,456,856	-	-

8 Investments at fair value through other comprehensive income

	Group		Parent Company	
(i) Equity investments	**30 September 2024**	**31 December 2023**	**30 September 2024**	**31 December 2023**
	(Un-audited)	**(Audited)**	**(Un-audited)**	**(Audited)**
Opening balance	7,798,096	8,827,325	7,798,096	8,827,325
Additions during the period/year	-	111,539	-	111,539
Disposals during the period/year	(1,375)	(799,338)	(1,375)	(799,338)
Unrealised fair value losses for the period / year	(140,975)	(341,430)	(140,975)	(341,430)
Closing balance	7,655,746	7,798,096	7,655,746	7,798,096

	Group		Parent Company	
(ii) Bond investments	**30 September 2024**	**December 2023**	**30 September**	**December 2023**
	(Un-audited)	**(Audited)**	**(Un-audited)**	**(Audited)**
Opening balance and closing balance	150,000	150,000	150,000	150,000

Investments at FVOCI are further analysed as follows:

	Group		Parent Company	
(iii) Equity investments	**30 September 2024**	**31 December 2023**	**30 September 2024**	**31 December 2023**
	(Un-audited)	**(Audited)**	**(Un-audited)**	**(Audited)**
Local quoted:				
Banking and investments	852,737	1,053,512	852,737	1,053,512
Services	2,178,593	2,130,336	2,178,593	2,130,336
Industrial	1,802,022	1,776,234	1,802,022	1,776,234
Financial services	68,879	-	68,879	-
Overseas:				
Education	468,569	553,713	468,569	553,713
Banking and investments	62,697	62,052	62,697	62,052
Local unquoted:				
Education	2,222,248	2,222,248	2,222,248	2,222,248
At 31 December	7,655,746	7,798,095	7,655,746	7,798,095

	Group		Parent Company	
(iv) Bond investments	**30 September 2024**	**December 2023**	**30 September**	**December 2023**
	(Un-audited)	**(Audited)**	**(Un-audited)**	**(Audited)**
Local quoted:				
Banking and investments	150,000	150,000	150,000	150,000
	150,000	150,000	150,000	150,000

At the end of the reporting period, details of the Group’s investments in which the market value exceeds 10% of the market value of its total investments in FVOCI portfolio are as follows:

8 Investments at fair value through other comprehensive income (continued)

(v) Equity investments

	30 September 2024 (un-audited)			31 December 2023 (audited)		
	% of investment portfolio	Number of shares	Fair value	% of investment portfolio	Number of shares	Fair value
Al Anwar Ceramic Tiles Company SAOG	11.25%	4,950,384	861,367	10.86%	4,950,384	846,516
Oman National Engineering & Investment Co. SAOG	25.59%	17,184,386	1,959,020	24.68%	17,184,386	1,924,651
National Gas SAOG	12.29%	10,937,856	940,656	11.92%	10,937,856	929,718
Al Jazeera Services Co. SAOG	11.14%	4,464,593	852,737	12.42%	4,464,593	968,817

(vi) Investments at FVOCI are denominated in the following currencies:

Equity and bond investments	Bond investments Group and Parent Company		Equity investments Group and Parent Company	
	30 September 2024 (Un-audited)	31 December 2023 (Audited)	30 September 2024 (Un-audited)	31 December 2023 (Audited)
Omani Rial	150,000	150,000	7,124,480	7,244,382
Kuwaiti Dinar	-	-	468,569	553,713
US Dollar	-	-	62,697	-
	150,000	150,000	7,655,746	7,798,095

(vii) Details of the Group's investment in securities where market value of its holding equals to or exceeds 5% of the investee's share capital as at 30 September 2024 and 31 December 2023 are set out below:

Equity investments

30 September 2024	% shareholding	Number of shares	Fair value
FVOCI investments - quoted:			
National Gas SAOG	12.87	10,937,856	940,656
Oman National Engineering & Investment Co. SAOG	11.46	17,184,386	1,959,020
Al-Jazeera Services SAOG	7.29	4,464,593	852,737
FVOCI investments - unquoted:			
A'Sharqiyah University SAOC	10	600,000	2,222,248

31 December 2023	% shareholding	Number of shares	Fair value
FVOCI investments - quoted:			
National Gas SAOG	12.87	10,937,856	929,718
Oman National Engineering & Investment Co. SAOG	11.46	17,184,386	1,924,651
Al-Jazeera Services SAOG	7.29	4,464,593	968,817
FVOCI investments - unquoted:			
A'Sharqiyah University SAOC	10	600,000	2,222,248

Investments in unquoted securities were valued at their fair values as at 31 December 2023.

9 Investments at FVTPL / at amortised cost

(i) Equity investments at FVTPL

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

	Group		Parent Company	
	30 September 2024 (Un-audited)	**31 December 2023 (Audited)**	**30 September 2024 (Un-audited)**	**31 December 2023 (Audited)**
At 1 January	416,074	95,244	416,074	95,244
Additions during the period/year	517,921	454,342	517,921	454,342
Disposals during the period/year	(282,051)	(170,921)	(282,051)	(170,921)
Unrealised fair value gains/ (losses) for the period/year	(18,463)	37,409	(18,463)	37,409
Closing balance	633,481	416,074	633,481	416,074
Realised gains on sale of investments	21,810	41,957	21,810	41,957

(ii) Bond investments at amortised cost

	Group		Parent Company	
	30 September 2024 (Un-audited)	**31 December 2023 (Audited)**	**30 September 2024 (Un-audited)**	**31 December 2023 (Audited)**
At 1 January	2,295,028	-	2,295,028	-
Additions during the period/year	904,957	2,295,028	904,957	2,295,028
At 30 September / 31 December	3,199,985	2,295,028	3,199,985	2,295,028

10 Fair value reserve

	Group		Parent Company	
	September 2024 (Un-audited)	**December 2023 (Audited)**	**September 2024 (Un-audited)**	**December 2023 (Audited)**
At 1 January	608,092	994,644	608,092	994,644
Fair value reserve reversal upon disposal	7,036	(45,122)	7,036	(45,122)
Net unrealised losses on revaluation	(140,975)	(341,430)	(140,975)	(341,430)
At 30 September / 31 December	474,153	608,092	474,153	608,092

11 Lease liabilities

Land

	Group		Parent Company	
	September 2024 (Un-audited)	**December 2023 (Audited)**	**September 2024 (Un-audited)**	**December 2023 (Audited)**
At 1 January	3,535,193	3,551,098	-	-
Add: interest expense (Note 26)	137,236	184,931	-	-
Less: lease payments	(200,836)	(200,836)	-	-
At 30 September / 31 December	3,471,593	3,535,193	-	-
Current portion	29,488	16,266	-	-
Non-current portion	3,442,105	3,518,927	-	-
At 30 September / 31 December	3,471,593	3,535,193	-	-

In the year 2000, the Group acquired a land from the Public Establishment for Industrial Estate (PEIE) for a period of 50 years, on lease. The same land was given to OLNG for a period of 23 years, extendable to 50 years. The Group has recorded a finance lease receivable and lease liability for the same land.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated and the separate statement of financial position as a right-of-use asset and a lease liability.

11 Lease liabilities

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security.

12 Investment in a subsidiary

During the year 1999, the Parent Company invested an amount of RO 250,000 in Qalhat Real Estate Investments & Services SPC (QREIS), acquiring 100% shareholding interest. The subsidiary was incorporated in September 1999.

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Carrying value of investment in the subsidiary	-	-	250,000	250,000

The investment in the subsidiary is stated at cost less impairment. The Parent Company has performed an impairment testing of its investment in the subsidiary and, has concluded that, no provision is considered necessary. This is primarily based on cash flow forecasts prepared by the management which indicates that the subsidiary is expected to continue to report profits in the foreseeable future.

13 Other receivables

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Pre-paid expenses	8,663	21,397	6,564	10,501
Advances	6,048	12,150	6,048	12,150
Value-Added-Tax refund recoverable (net)	2,503	15,651	2,503	15,651
Other receivables	359,640	141,561	72,697	88,539
	376,854	190,759	87,812	126,841

Other receivables are generally on 30 to 60 days credit terms.

The carrying values of other receivables classified at amortised cost approximate their fair values.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

14 Cash and cash equivalents

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Call deposit accounts	179,692	1,383,377	118,963	912,129
Cash at bank	80,492	58,417	72,262	53,218
Cash on hand	850	1,304	684	786
	261,034	1,443,098	191,909	966,133

For the consolidated and separate interim statement of cash flows, cash and cash equivalents comprise the above

The current account balances with banks are non-interest bearing. The call account balances with banks earn annual interest rates ranging between 3.75% and 4.70% per annum (31 December 2023: between 2.50% and 4.50% per annum).

ECL allowance on cash at bank is immaterial to the Group's and the Parent Company’s consolidated and separate interim financial statements and is, therefore, not recognised for the period ended 30 September 2024.

15 Share capital

The authorised share capital of the Parent Company, as registered with the Ministry of Commerce, Industry and Investment Promotion, is RO 12,000,000 (31 December 2023: RO 12,000,000), comprising of 120,000,000 shares of RO 0.100 per share (31 December 2023: 120,000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 90,000,000 (31 December 2023: 90,000,000) ordinary shares of RO 0.100 per share (31 December 2023: RO 0.100 per share).

	Authorised		Issued and fully paid-up	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Share capital	12,000,000	12,000,000	9,000,000	9,000,000

Shareholders who own 10% or more of the Parent Company’s share capital and the number of shares they hold are as follows:

	30 September 2024 (Un-audited)		31 December 2023 (Audited)	
Name of the shareholder	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares
Salim Said Hamad Fannah Al Araimi, Omani	22.63%	20,365,595	22.63%	20,365,595
Al Siraj Investment and Projects Co. LLC	11.29%	10,161,093	11.29%	10,161,093
	33.92%	30,526,688	33.92%	30,526,688

16 Legal reserve

In accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, an amount equivalent to 10% of the Group's and Parent Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the issued and fully paid-up share capital is set aside. During the period ended 30 September 2024, the Group has transferred an amount of RO 23,441 (31 December 2023: RO 65,769) to the legal reserve. The Parent Company has transferred an amount of RO 23,441 (31 December 2023: RO 65,769) to the legal reserve.

17 Dividend

Dividend is not accounted for until it has been approved at the Shareholders' Annual General Meeting (AGM). In the Board of Directors meeting held on 21 February 2024, a cash dividend of 5 baiza per share, amounting to RO 450,000 was recommended for shareholders’ approval at the AGM. The proposed dividend which was approved in the AGM held on 24 March 2024 was paid in March 2024.

18 Employees' benefit liabilities

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
At 1 January	191,365	155,074	155,279	124,586
Charge for the period/year	16,986	36,291	14,460	30,693
At 30 September/31 December	208,351	191,365	169,739	155,279

19 Other payables

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Accruals and other payables	47,525	65,236	39,702	39,439
	47,525	65,236	39,702	39,439

20 Term deposits

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Short-term deposits	1,850,000	1,500,000	-	-

21 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 the senior management. The Group and the Parent Company have entered into transactions with entities related either to the shareholders or directors, in the ordinary course of business, who provide goods and render services to the Group and the Parent Company. The transactions are carried on mutually agreed terms. During the period/year, the following transactions were carried out with the related parties:

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
a) Subsidiary				
Dividend income from a subsidiary	-	-	-	400,000
Management charges from a subsidiary	-	-	45,000	60,000
(b) Compensation of key management personnel				
Basic salaries and allowances	165,890	251,230	165,890	251,230
Directors' sitting fees (Note 25)	22,300	30,100	22,300	30,100
(c) Due to a subsidiary				
Qalhat Real Estate Investments & Services SPC	-	-	513,417	-

22 Income

a) Net investment income	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)
Dividend income	367,292	267,723	367,292	667,723
Interest income from bonds	141,701	36,450	141,701	36,450
Interest income from deposits	73,221	93,833	8,838	64,937
Unrealised fair value gains /(losses) on investments at FVTPL	(18,463)	20,936	(18,463)	20,936
Realised gains on disposal of investments at FVTPL	21,810	24,421	21,810	24,421
	585,561	443,363	521,178	814,467
b) Finance income on lease receivables				
Finance income	237,736	315,506	-	-
	823,297	758,869	521,178	814,467

23 Other income

	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)
Maintenance services income (Net)	43,282	42,898	-	-
Qalhat - Management charges income (Note 21)	-	-	45,000	45,000
Miscellaneous income	25,809	15,522	25,809	15,522
	69,091	58,420	70,809	60,522

24 Salaries and other related staff costs

	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)
Salaries and allowances	198,355	194,255	198,355	194,255
Employees' terminal benefits	14,460	27,563	14,460	27,563
Other related staff costs	19,496	30,988	19,496	30,988
	232,311	252,806	232,311	252,806

25 General and administrative expenses

	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)
Directors’ sitting fees (Note 21)	22,300	22,200	22,300	22,200
Fees and other charges	15,423	15,231	14,134	13,847
Short-term lease rentals	12,150	12,150	12,150	12,150
Donations	10,000	10,000	10,000	10,000
Insurance expenses	8,692	7,314	8,692	7,314
Legal and professional fees	6,550	7,798	6,050	7,298
Repairs and maintenance	2,542	10,544	2,542	3,649
Water and electricity	2,050	1,612	2,050	1,612
Telephone and postage	1,309	1,243	1,309	1,243
Advertising	720	1,515	720	1,515
Miscellaneous expenses	14,529	16,339	14,432	15,723
	96,265	105,946	94,379	96,551

26 Finance costs on lease liabilities

	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2023 to 30 September 2023 (Un-audited)
Finance costs (Note 11)	137,236	137,379	-	-

27 Taxation

(a) The Parent Company has calculated income tax at an effective tax rate of 15% for the nine-month period ended 30 September 2024 (31 December 2023: 15%). The reconciliation of tax based on the accounting profit and tax profit of the Group and the Parent Company is as follows:

(b) **Current tax**

	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	**Period from 1 January 2024 to 30 September 2023 (Un-audited)**	**Period from 1 January 2024 to 30 September 2024 (Un-audited)**	**Period from 1 January 2024 to 30 September 2023 (Un-audited)**
Net profit before tax for the period	405,013	703,746	254,756	519,236
Tax expense at Oman tax rate	-	-	-	-
Accounting depreciation	1,953	2,773	1,953	2,773
Disallowed expenses	145,714	222,449	145,714	222,449
Unrealised losses /(gains) on investments at FVTPL	18,463	(20,936)	18,463	(20,936)
Realised gains on disposal of investments at FVOCI credited in retained earnings	1,390	2,160	1,390	2,160
Interest and finance expenses	5,293	2,121	5,293	2,121
	577,826	912,313	427,569	727,803
Less:				
Tax depreciation	(1,953)	(2,773)	(1,953)	(2,773)
Dividend income on listed shares (non-taxable)	(283,389)	(594,944)	(283,389)	(594,944)
Losses charged to retained earnings	(6,562)	-	(6,562)	-
Taxable profit	285,922	314,596	135,665	130,086
Tax rate	15%	15%	15%	15%
Total tax charge for the period	42,889	47,189	20,350	19,513

(c) Tax assessments up to the year 2020 have been completed and agreed with the Oman Tax Authority for both the Parent Company and the subsidiary. The management believes that additional taxes, if any, for open tax years would not be material to the consolidated and separate financial position of the Group and the Parent Company at the reporting date.

Consolidated and separate statement of profit or loss and other comprehensive income	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	**Period from 1 January 2024 to 30 September 2023 (Un-audited)**	**Period from 1 January 2024 to 30 September 2024 (Un-audited)**	**Period from 1 January 2024 to 30 September 2023 (Un-audited)**
Current tax:				
Tax charge for the period	42,889	47,189	20,350	19,513
Tax charge for the previous years	2,447	1,234	2,447	1,234
Total tax charge for the period	45,336	48,423	22,797	20,747

27 Taxation (continued)

Consolidated and separate statement of financial position	Group		Parent Company	
	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2024 to 30 September 2023 (Un-audited)	Period from 1 January 2024 to 30 September 2024 (Un-audited)	Period from 1 January 2024 to 30 September 2023 (Un-audited)
Non-current assets				
Deferred tax	39,463	39,463	39,463	39,463
Current liabilities				
Opening balance	-	-	-	-
Provision for the period	45,336	48,423	22,797	20,747
Current period tax payable	45,336	48,423	22,797	20,747

(b) **Deferred tax asset**	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Un-audited)	September 2024 (Un-audited)	December 2023 (Un-audited)
At 1 January and at 30 September / 31 December	39,463	39,463	39,463	39,463

Deferred tax asset has not been recognised for the period as it is not considered material.

28 Basic/diluted earnings per share

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

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Net profit after tax for the period / year (RO)	362,123	491,578	234,405	657,691
Weighted average number of shares (number)	90,000,000	90,000,000	90,000,000	90,000,000
Earnings per share attributable to shareholders of the Parent Company (RO)	0.004	0.005	0.003	0.007

As there are no dilutive potential shares issued by the Parent Company, the diluted earnings per share is the same as the basic earnings per share.

29 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.

	Group		Parent Company	
	September 2024 (Un-audited)	December 2023 (Audited)	September 2024 (Un-audited)	December 2023 (Audited)
Net assets (RO)	14,386,976	14,613,952	11,464,041	11,818,735
Weighted average number of shares outstanding (number)	90,000,000	90,000,000	90,000,000	90,000,000
Net assets per share (RO)	0.160	0.162	0.127	0.131

30 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.

31 Financial assets and liabilities and risk management

(a) **Financial assets and liabilities**

Financial assets and liabilities carried on the consolidated and separate interim statement of financial position include cash and bank balances, investments in equity instruments at FVOCI, investments in equity instruments at FVTPL, investments in debt instruments at FVOCI, investments in debt instruments at amortised cost, other receivables, lease receivables, due to a subsidiary, lease liabilities 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 nine-month period ended 30 September 2024 and year ended 31 December 2023.

32 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 USD. As the USD 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-earning call deposits 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 10,148 and the Parent Company's net profit would decrease or increase by RO 595 (31 December 2023: the Group’s net profit would decrease or increase by RO 14,417 and the Parent Company's net profit would decrease or increase by RO 14,186).

32 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

The Parent Company is exposed to price risk because of investments held by the Parent Company which are classified as fair value through other comprehensive income. All investment securities present a risk of loss of capital. The Parent Company controls this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the carrying amount of the financial instruments. The Parent Company's overall market positions are monitored on a daily basis and are reviewed periodically by the management and Board of Directors. Impact of 5% increase/decrease of the Market Index on the Parent Company's investments at fair value through other comprehensive income and through profit or loss for the year would be RO 581,961 (31 December 2023: RO 532,960). The analysis is based on the assumption that the market index had increased/decreased by 5% with all other variables held constant and all the Parent Company's instruments would have moved according to the historical correlation with the index.

(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 interim 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.

32 Financial risk management (continued)

(c) Liquidity risk (continued)

The liquidity risk profile of the Group is as follows:

Liabilities as at 30 September 2024	**Total**	**Less than 1 year**	**More than 1 year**
Other payables	47,525	47,525	-
Lease liabilities	3,471,593	29,488	3,442,105
	3,519,118	77,013	3,442,105

Liabilities as at 31 December 2023	**Total**	**Less than 1 year**	**More than 1 year**
Other payables	65,236	65,236	-
Lease liabilities	3,535,193	16,266	3,518,927
	3,600,429	81,502	3,518,927

The liquidity risk profile of the Parent Company is as follows:

Liabilities as at 30 September 2024	**Total**	**Less than 1 year**	**More than 1 year**
Other payables	39,702	39,702	-
Due to a subsidiary	513,417	513,417	-
	553,119	553,119	-

Liabilities as at 31 December 2023	**Total**	**Less than 1 year**	**More than 1 year**
Other payables	39,439	39,439	-
	39,439	39,439	-

(d) Fair value estimation

For financial instruments that are measured in the interim 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.

Details of financial instruments carried at fair value are as below:

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 September 2024				
Investments in equity instruments at FVOCI (Note 8)	7,655,746	5,433,498	-	2,222,248
Investments in debt instruments at FVOCI (Note 8)	150,000	-	150,000	-
Investments in equity instruments at FVTPL - (Note 9)	633,481	633,481	-	-
Investments in debt instruments at amortised cost (Note 9)	3,199,985	3,199,985	-	-

Details of financial instruments carried at fair value are as below:

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 31 December 2023				
Investments in equity instruments at FVOCI (Note 8)	7,798,095	5,575,847	-	2,222,248
Investments in debt instruments at FVOCI (Note 8)	150,000	-	150,000	-
Investments in equity instruments at FVTPL - (Note 9)	416,074	416,074	-	-
Investments in debt instruments at amortised cost (Note 9)	2,295,028	-	2,295,028	-

33 Commitments

Investment commitments

At 30 September 2024, the Group has investment commitments amounting to RO 53,739 (31 December 2023: 172,331).

34 Notes supporting the consolidated and separate interim statement of cash flows

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

30 September 2024	**Lease liabilities**
<u>**Group**</u>	
At 1 January 2024	3,535,193
Cash outflows	(200,836)
Non-cash changes	137,236
At 30 September 2024	3,471,593

30 September 2023	**Lease liabilities**
<u>**Group**</u>	
At 1 January 2023	3,551,098
Cash outflows	(200,836)
Non-cash changes	137,379
At 30 September 2023	3,487,641

35 Comparative figures

Certain comparative figures of the previous period have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current period's consolidated and separate interim financial statements. Such regrouping or reclassification did not affect previously reported consolidated and separate net profit or consolidated and separate shareholders' equity.

36 Subsequent events

There were no events occurring subsequent to 30 September 2024 and before the date of the approval that are expected to have a significant impact on these consolidated and separate interim financial statements.

A' SHARQIYA INVESTMENT HOLDING CO. SAOG

Assessment working for the period 30.09.2023

	2023
Net profit as per FS	519,236
Add:	
Depreciation as per FS	2,773
Gain on disposal of foreign listed equity shares credited to ret.earn	2,160
Unrealised gain on FVTPL investments	
Sub-total	**524,169**
Less	
Depreciation as per tax rates	2,773
Trading investment income	-
Dividend income from local companies (considered non taxable)	594,944
Share of profit of subsidiary	-
Loss on disposal of PE Fund investments -(Direct in Retained earn)	-
Unrealised gain on FVTPL investments	20,936
Sub-total	618,653
Taxable income as per FS	(94,484)
Add: disallowed by tax department	
Expenses disallowed under article 15 (5)	222,449
Interest & Finance expenses	2,121
Gains on PE Funds directly credited in Retained ear	0
Total disallowed by tax department	224,570
Net taxable income	130,086
Brought forward losses	-
Taxable income	130,086
Provision for Income tax	**19,513**

A' SHARQIYA INVESTMENT HOLDING CO. SAOG

Assessment working for the period 30.06 2024

	2024
Net profit as per FS	254,756
Add:	
Depreciation as per FS	1,953
Gain on disposal of foreign listed equity shares credited to ret.earn	1,390
Unrealised Loss on FVTPL investments	18,463
Sub-total	**276,562**
Less	
Depreciation as per tax rates	1,953
Trading investment income	-
Dividend income from local companies (considered non taxable)	283,389
Share of profit of subsidiary	-
Loss on disposal of PE Fund investments -(Direct in Retained earn)	6,562
Sub-total	291,904
Taxable income as per FS	(15,342)
Add: disallowed by tax department	
Expenses disallowed under article 15 (5)	145,714
Interest & Finance expenses	5,293
Gains on PE Funds directly credited in Retained ear	0
Total disallowed by tax department	151,007
Net taxable income	135,665
Brought forward losses	-
Taxable income	135,665
Provision for Income tax	**20,350**