



ريسوت للأسمنت  
Raysut Cement

الشريك الإستراتيجي للنمو  
Strategic Partner for Growth

**RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES**

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE THREE MONTHS PERIOD ENDED**

**31 MARCH 2024**

**Registered office and principal place of business:**

Salalah – Raysut Industrial Area

P.O. Box 1020, PC 211

Salalah

Sultanate of Oman

# **Raysut Cement Company SAOG and its Subsidiaries**

CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL INFORMATION  
for the three months period ended 31 March 2024

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## Raysut Cement Company SAOG and its Subsidiaries

Condensed interim separate and consolidated statement of financial position  
as at 31 March 2024

|   | Notes | Parent             |                    | Consolidated       |                    |
|---|-------|--------------------|--------------------|--------------------|--------------------|
|   |       | 31-Mar-2024        | 31-Dec-2023        | 31-Mar-2024        | 31-Dec-2023        |
|   |       | (unaudited)        | (audited)          | (unaudited)        | (audited)          |
|   |       | RO                 | RO                 | RO                 | RO                 |
| <b>ASSETS</b>   |       |                    |                    |                    |                    |
| <b>Non-current assets</b>                             |       |                    |                    |                    |                    |
| Goodwill  | 4     | -                  | -                  | 3,335,872          | 3,335,872          |
| Property, plant and equipment                         | 5     | 58,480,486         | 59,494,078         | 100,051,131        | 103,263,314        |
| Right-of-use assets                                   | 6     | 2,268,113          | 2,324,213          | 5,957,216          | 6,067,534          |
| Investment in subsidiaries                            | 8     | 30,025,940         | 30,025,940         | -                  | -                  |
| Deferred tax asset                                    |       | -                  | -                  | 227,469            | 242,722            |
| <b>Total non-current assets</b>                       |       | <b>90,774,539</b>  | <b>91,844,231</b>  | <b>109,571,688</b> | <b>112,909,442</b> |
| <b>Current assets</b>                                 |       |                    |                    |                    |                    |
| Inventories   | 10    | 11,496,083         | 13,555,010         | 17,102,124         | 20,716,057         |
| Trade receivables                                     | 11    | 2,256,969          | 2,436,285          | 5,370,390          | 6,285,166          |
| Financial assets at fair value through profit or loss | 12    | 3,179,071          | 3,185,737          | 3,179,071          | 3,185,737          |
| Prepayments, advances and other receivables           | 13    | 2,303,061          | 1,862,133          | 2,160,361          | 1,987,832          |
| Cash and bank balances                                | 14    | 852,050            | 411,727            | 1,816,427          | 1,687,943          |
| <b>Total current assets</b>                           |       | <b>20,087,234</b>  | <b>21,450,892</b>  | <b>29,628,373</b>  | <b>33,862,735</b>  |
| <b>Total assets</b>                                   |       | <b>110,861,773</b> | <b>113,295,123</b> | <b>139,200,061</b> | <b>146,772,177</b> |
| <b>EQUITY AND LIABILITIES</b>                         |       |                    |                    |                    |                    |
| <b>Equity</b>   |       |                    |                    |                    |                    |
| Share capital   | 15    | 20,000,000         | 20,000,000         | 20,000,000         | 20,000,000         |
| Share premium   | 16    | 13,456,873         | 13,456,873         | 13,456,873         | 13,456,873         |
| Legal reserve   | 17    | 6,666,667          | 6,666,667          | 6,666,667          | 6,666,667          |
| Asset replacement reserve                             | 18    | 3,647,566          | 3,647,566          | 3,647,566          | 3,647,566          |
| Voluntary reserve                                     | 19    | 6,352,434          | 6,352,434          | 6,352,434          | 6,352,434          |
| Accumulated losses                                    |       | (48,326,197)       | (46,710,309)       | (41,638,661)       | (39,024,175)       |
| <b>Equity attributable to owners of the Parent</b>    |       | <b>1,797,343</b>   | <b>3,413,231</b>   | <b>8,484,879</b>   | <b>11,099,365</b>  |
| Non-controlling interest                              |       | -                  | -                  | 444,366            | 439,961            |
| <b>Total equity</b>                                   |       | <b>1,797,343</b>   | <b>3,413,231</b>   | <b>8,929,245</b>   | <b>11,539,326</b>  |
| <b>LIABILITIES</b>                                    |       |                    |                    |                    |                    |
| <b>Non-current liabilities</b>                        |       |                    |                    |                    |                    |
| Borrowings  | 20    | 29,291,933         | 29,289,525         | 40,106,622         | 40,310,251         |
| Lease liabilities                                     | 21    | 2,182,798          | 2,429,927          | 6,170,366          | 6,433,947          |
| Other liabilities                                     | 24.1  | 12,996,768         | 12,996,768         | 12,996,768         | 12,996,768         |
| Deferred tax liability                                |       | 1,513,000          | 1,513,000          | 1,513,000          | 1,513,000          |
| End of service benefits                               | 23    | 708,645            | 710,303            | 1,274,331          | 1,293,756          |
| <b>Total non-current liabilities</b>                  |       | <b>46,693,144</b>  | <b>46,939,523</b>  | <b>62,061,087</b>  | <b>62,547,722</b>  |
| <b>Current liabilities</b>                            |       |                    |                    |                    |                    |
| Borrowings  | 20    | 3,984,743          | 4,071,543          | 5,672,354          | 5,965,016          |
| Lease liabilities                                     | 21    | 328,016            | 162,727            | 568,846            | 403,556            |
| Trade and other payables                              | 24    | 39,871,227         | 40,241,187         | 41,469,338         | 45,245,230         |
| Other liabilities                                     | 24.1  | 12,322,158         | 12,322,158         | 12,322,158         | 12,322,158         |
| Short term borrowings                                 | 25    | 5,865,142          | 6,144,754          | 8,059,582          | 8,596,110          |
| Income tax payable                                    |       | -                  | -                  | 117,451            | 153,059            |
| <b>Total current liabilities</b>                      |       | <b>62,371,286</b>  | <b>62,942,369</b>  | <b>68,209,729</b>  | <b>72,685,129</b>  |
| <b>Total liabilities</b>                              |       | <b>109,064,430</b> | <b>109,881,892</b> | <b>130,270,816</b> | <b>135,232,851</b> |
| <b>Total equity and liabilities</b>                   |       | <b>110,861,773</b> | <b>113,295,123</b> | <b>139,200,061</b> | <b>146,772,177</b> |
| <b>Net assets per share</b>                           | 34    | <b>0.009</b>       | <b>0.017</b>       | <b>0.042</b>       | <b>0.055</b>       |

This condensed interim separate and consolidated financial information was approved by the Board of Directors on 11 May 2024 and signed on its behalf by:

Shabib Mohammed Al Darmaki  
Chairman

Tarek Talaat  
Chief Executive Officer

Salman Haider Malik  
Acting Chief Financial Officer

The notes 1 to 39 form an integral part of this condensed interim separate and consolidated financial information.

The review report is set forth on page 1.

## Raysut Cement Company SAOG and its Subsidiaries

Condensed interim separate and consolidated statement of comprehensive income  
for the three months period ended 31 March 2024

|   | <u>Notes</u> | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|---|--------------|--------------------|--------------------|---------------------|--------------------|
|   |              | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|   |              | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|   |              | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Revenue   | 26           | <b>9,913,441</b>   | 11,597,215         | <b>17,453,970</b>   | 17,998,702         |
| Cost of sales   | 27           | <b>(8,669,943)</b> | (8,210,930)        | <b>(16,331,929)</b> | (14,356,473)       |
| <b>Gross profit</b>                                     |              | <b>1,243,498</b>   | 3,386,285          | <b>1,122,041</b>    | 3,642,229          |
| General and administrative expenses                     | 28           | <b>(838,489)</b>   | (1,097,825)        | <b>(1,303,414)</b>  | (1,534,357)        |
| Selling and distribution expenses                       | 30           | <b>(1,073,960)</b> | (1,157,604)        | <b>(1,256,222)</b>  | (1,489,463)        |
| Other income  | 31           | <b>1,034</b>       | 203,102            | <b>208,102</b>      | 226,775            |
| <b>Operating (loss)/profit</b>                          |              | <b>(667,917)</b>   | 1,333,958          | <b>(1,229,493)</b>  | 845,184            |
| Finance cost - net                                      | 32           | <b>(1,084,626)</b> | (1,070,463)        | <b>(1,515,746)</b>  | (1,435,470)        |
| Investment income                                       | 33           | <b>143,321</b>     | 96,014             | <b>143,321</b>      | 96,014             |
| Fair value loss on financial assets at FVTPL            |              | <b>(6,666)</b>     | (246,041)          | <b>(6,666)</b>      | (246,041)          |
| <b>(Loss)/profit before tax</b>                         |              | <b>(1,615,888)</b> | 113,468            | <b>(2,608,584)</b>  | (740,313)          |
| Income tax expense                                      |              | -                  | (103,310)          | <b>(1,497)</b>      | (120,795)          |
| <b>(Loss)/profit for the period</b>                     |              | <b>(1,615,888)</b> | 10,158             | <b>(2,610,081)</b>  | (861,108)          |
| Other comprehensive income                              |              | -                  | -                  | -                   | -                  |
| <b>Total comprehensive (loss)/income for the period</b> |              | <b>(1,615,888)</b> | 10,158             | <b>(2,610,081)</b>  | (861,108)          |
| <b>Attributable to:</b>                                 |              |                    |                    |                     |                    |
| Owners of the Parent                                    |              | <b>(1,615,888)</b> | 10,158             | <b>(2,614,486)</b>  | (876,579)          |
| Non-controlling interest                                |              | -                  | -                  | <b>4,405</b>        | 15,471             |
|   |              | <b>(1,615,888)</b> | 10,158             | <b>(2,610,081)</b>  | (861,108)          |
| <b>Basic and diluted loss per share</b>                 | 35           | <b>(0.008)</b>     | 0.000              | <b>(0.013)</b>      | (0.004)            |

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## Raysut Cement Company SAOG and its Subsidiaries

Condensed interim separate and consolidated statement of changes in equity  
for the three months period ended 31 March 2024

| <b>Parent</b>                           | <b>Share<br/>capital<br/>RO</b> | <b>Share<br/>premium<br/>RO</b> | <b>Legal<br/>reserve<br/>RO</b> | <b>Asset<br/>replacement<br/>reserve<br/>RO</b> | <b>Voluntary<br/>reserve<br/>RO</b> | <b>Accumulated<br/>losses<br/>RO</b> | <b>Total<br/>RO</b>     |
|---|---------------------------------|---------------------------------|---------------------------------|---|-------------------------------------|--------------------------------------|-------------------------|
| At 1 January 2023                       | 20,000,000                      | 13,456,873                      | 6,666,667                       | 3,647,566                                       | 6,352,434                           | (43,987,082)                         | 6,136,458               |
| Total comprehensive loss for the year   | -                               | -                               | -                               | -   | -                                   | (2,723,227)                          | (2,723,227)             |
| At 31 December 2023                     | <u>20,000,000</u>               | <u>13,456,873</u>               | <u>6,666,667</u>                | <u>3,647,566</u>                                | <u>6,352,434</u>                    | <u>(46,710,309)</u>                  | <u>3,413,231</u>        |
| <b>At 1 January 2024</b>                | <b>20,000,000</b>               | <b>13,456,873</b>               | <b>6,666,667</b>                | <b>3,647,566</b>                                | <b>6,352,434</b>                    | <b>(46,710,309)</b>                  | <b>3,413,231</b>        |
| Total comprehensive loss for the period | -                               | -                               | -                               | -   | -                                   | (1,615,888)                          | (1,615,888)             |
| <b>At 31 March 2024</b>                 | <u><b>20,000,000</b></u>        | <u><b>13,456,873</b></u>        | <u><b>6,666,667</b></u>         | <u><b>3,647,566</b></u>                         | <u><b>6,352,434</b></u>             | <u><b>(48,326,197)</b></u>           | <u><b>1,797,343</b></u> |

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## Raysut Cement Company SAOG and its Subsidiaries

Condensed interim separate and consolidated statement of changes in equity (continued)  
for the three months period ended 31 March 2024

| <b>Consolidated</b>                     | <b>Share capital</b>     | <b>Share premium</b>     | <b>Legal reserve</b>    | <b>Asset replacement reserve</b> | <b>Voluntary reserve</b> | <b>Accumulated losses</b>  | <b>Total</b>            | <b>Non-controlling interest</b> | <b>Total</b>            |
|---|--------------------------|--------------------------|-------------------------|----------------------------------|--------------------------|----------------------------|-------------------------|---------------------------------|-------------------------|
|   | <b>RO</b>                | <b>RO</b>                | <b>RO</b>               | <b>RO</b>                        | <b>RO</b>                | <b>RO</b>                  | <b>RO</b>               | <b>RO</b>                       | <b>RO</b>               |
| At 1 January 2023                       | 20,000,000               | 13,456,873               | 6,666,667               | 3,647,566                        | 6,352,434                | (33,849,583)               | 16,273,957              | 344,622                         | 16,618,579              |
| Loss for the year                       | -                        | -                        | -                       | -                                | -                        | (5,174,592)                | (5,174,592)             | 95,339                          | (5,079,253)             |
| Total comprehensive loss for the year   | -                        | -                        | -                       | -                                | -                        | (5,174,592)                | (5,174,592)             | 95,339                          | (5,079,253)             |
| At 31 December 2023                     | <u>20,000,000</u>        | <u>13,456,873</u>        | <u>6,666,667</u>        | <u>3,647,566</u>                 | <u>6,352,434</u>         | <u>(39,024,175)</u>        | <u>11,099,365</u>       | <u>439,961</u>                  | <u>11,539,326</u>       |
| <b>At 1 January 2023</b>                | <b>20,000,000</b>        | <b>13,456,873</b>        | <b>6,666,667</b>        | <b>3,647,566</b>                 | <b>6,352,434</b>         | <b>(39,024,175)</b>        | <b>11,099,365</b>       | <b>439,961</b>                  | <b>11,539,326</b>       |
| Loss for the period                     | -                        | -                        | -                       | -                                | -                        | (2,614,486)                | (2,614,486)             | 4,405                           | (2,610,081)             |
| Total comprehensive loss for the period | -                        | -                        | -                       | -                                | -                        | (2,614,486)                | (2,614,486)             | 4,405                           | (2,610,081)             |
| <b>At 31 March 2024</b>                 | <u><b>20,000,000</b></u> | <u><b>13,456,873</b></u> | <u><b>6,666,667</b></u> | <u><b>3,647,566</b></u>          | <u><b>6,352,434</b></u>  | <u><b>(41,638,661)</b></u> | <u><b>8,484,879</b></u> | <u><b>444,366</b></u>           | <u><b>8,929,245</b></u> |

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The review report is set forth on page 1.

## Raysut Cement Company SAOG and its Subsidiaries

Condensed interim separate and consolidated statement of cash flows  
for the three months period ended 31 March 2024

|   | Notes   | Parent             |                    | Consolidated       |                    |
|---|---------|--------------------|--------------------|--------------------|--------------------|
|   |         | 31-Mar-24          | 31-Mar-23          | 31-Mar-24          | 31-Mar-23          |
|   |         | (unaudited)<br>RO  | (unaudited)<br>RO  | (unaudited)<br>RO  | (unaudited)<br>RO  |
| <b>Cash flows from operating activities</b>                       |         |                    |                    |                    |                    |
| (Loss)/profit before taxation                                     |         | (1,615,888)        | 113,468            | (2,608,584)        | (740,313)          |
| <b>Adjustments for:</b>   |         |                    |                    |                    |                    |
| Depreciation of property, plant and equipment                     | 27 & 28 | 1,013,592          | 1,060,453          | 1,581,643          | 1,605,096          |
| Depreciation of right-of-use assets                               | 27 & 28 | 56,100             | 56,101             | 110,318            | 110,455            |
| Reversal of allowance for expected credit losses                  |         | -                  | (198,495)          | (204,787)          | (198,495)          |
| Allowance for slow-moving inventories                             | 27      | 30,000             | 30,000             | 37,890             | 37,890             |
| End of service benefits   | 29      | -                  | -                  | 14,722             | 16,191             |
| Interest expense  | 32      | 1,045,403          | 1,025,000          | 1,396,951          | 1,352,140          |
| Interest expense on lease liabilities                             | 32      | 41,160             | 45,383             | 117,447            | 83,125             |
| Investment income   | 33      | (143,321)          | (96,014)           | (143,321)          | (96,014)           |
| Fair value change of financial assets at FVTPL                    |         | 6,666              | 246,041            | 6,666              | 246,041            |
| <b>Operating cash flows before working capital changes</b>        |         | <b>433,712</b>     | <b>2,281,937</b>   | <b>308,945</b>     | <b>2,416,116</b>   |
| <b>Changes in:</b>  |         |                    |                    |                    |                    |
| Trade receivables   |         | 179,316            | (771,331)          | 1,119,563          | (2,476,902)        |
| Prepayments and other receivables                                 |         | (440,928)          | (389,715)          | (172,529)          | 1,388,030          |
| Inventories   |         | 2,028,927          | 104,050            | 3,576,043          | (300,031)          |
| Trade and other payables  |         | (24,008)           | 2,485,166          | (3,432,460)        | 2,590,444          |
| <b>Cash generated from operations</b>                             |         | <b>2,177,019</b>   | <b>3,710,107</b>   | <b>1,399,562</b>   | <b>3,617,657</b>   |
| End of service benefits paid                                      |         | (1,658)            | (1,976)            | (34,147)           | (5,386)            |
| Income tax paid   |         | -                  | (103,310)          | (21,852)           | (103,310)          |
| <b>Net cash generated from operating activities</b>               |         | <b>2,175,361</b>   | <b>3,604,821</b>   | <b>1,343,563</b>   | <b>3,508,961</b>   |
| <b>Cash flows from investing activities</b>                       |         |                    |                    |                    |                    |
| Dividend income   | 33      | 143,321            | 96,014             | 143,321            | 96,014             |
| Additions to property, plant and equipment                        |         | -                  | (160,446)          | 1,630,540          | (181,436)          |
| <b>Net cash generated from/(used in) investing activities</b>     |         | <b>143,321</b>     | <b>(64,432)</b>    | <b>1,773,861</b>   | <b>(85,422)</b>    |
| <b>Cash flows from financing activities</b>                       |         |                    |                    |                    |                    |
| Term loans (net of repayment)                                     |         | (84,392)           | (1,285,629)        | (496,291)          | 1,055,838          |
| Repayment of lease liabilities                                    |         | (81,840)           | (81,209)           | (98,291)           | (82,775)           |
| Repayment of interest on lease liabilities                        |         | (41,160)           | (45,383)           | (117,447)          | (83,125)           |
| Movement in short term loans - net                                |         | 11,181             | 1,403,338          | (245,735)          | (774,859)          |
| Finance costs paid  |         | (1,391,355)        | (1,025,000)        | (1,740,383)        | (1,352,140)        |
| <b>Net cash used in financing activities</b>                      |         | <b>(1,587,566)</b> | <b>(1,033,883)</b> | <b>(2,698,147)</b> | <b>(1,237,061)</b> |
| <b>Net changes in cash and cash equivalents during the period</b> |         | <b>731,116</b>     | <b>2,506,506</b>   | <b>419,277</b>     | <b>2,186,478</b>   |
| Cash and cash equivalents at the beginning of the period          |         | (444,986)          | (1,685,007)        | 831,230            | (584,813)          |
| <b>Cash and cash equivalents at the end of the period</b>         | 38      | <b>286,130</b>     | <b>821,499</b>     | <b>1,250,507</b>   | <b>1,601,665</b>   |

The notes 1 to 39 form an integral part of this condensed interim separate and consolidated financial information.  
The review report is set forth on page 1.

## Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information for the three months period ended 31 March 2024

### 1. Legal status and principal activities

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

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

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

| <u>Subsidiary companies</u>                                  | <u>Country of incorporation</u> | <u>Shareholding percentage %</u> |                    | <u>Principal activities</u>     |
|--|---------------------------------|----------------------------------|--------------------|---------------------------------|
|  |                                 | <u>31-Mar-2024</u>               | <u>31-Dec-2023</u> |                                 |
| Duqm Cement Factory LLC                                      | Sultanate of Oman               | 100                              | 100                | Production and sale of cement   |
| Pioneer Cement Industries ('Pioneer')                        | United Arab Emirates            | 100                              | 100                | Production and sale of cement   |
| Pioneer Cement Industries Georgia Limited*                   | Georgia                         | 100                              | 100                | Limestone quarry                |
| Raysut Burwaqo Cement Company LLC ('RBCC')***                | Sultanate of Oman               | 51                               | 51                 | Wholesale of cement and plastic |
| Raysut Cement Company (Branch)**                             | United Arab Emirates            | 100                              | 100                | Limestone quarry                |
| Raysut Cement Trading Madagascar***                          | Madagascar                      | 100                              | 100                | Trading activity                |
| Raysut Maldives Cement Private Limited                       | Republic of Maldives            | 75                               | 75                 | Trading activity                |
| Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) | Sultanate of Oman               | 100                              | 100                | Production and sale of cement   |

| <u>Associate companies</u> | <u>Country of incorporation</u> | <u>Shareholding percentage %</u> |                    | <u>Principal activities</u> |
|----------------------------|---------------------------------|----------------------------------|--------------------|-----------------------------|
|                            |                                 | <u>31-Mar-2024</u>               | <u>31-Dec-2023</u> |                             |

|  |                   |    |    |   |
|--|-------------------|----|----|---|
| Mukalla Raysut for Manufacturing and Trading Company Limited | Republic of Yemen | 49 | 49 | Importing, exporting, packing and marketing of cement products. |
|--|-------------------|----|----|---|

This condensed interim financial information represents the results of operations of the Parent Company on a standalone basis and consolidated with its subsidiaries (the "Group").

\*Pioneer Cement Industries Georgia Limited is a subsidiary of Pioneer Cement Industries.

\*\*The Branch is held by Pioneer Cement Industries for the beneficial interest of the Parent Company. Accordingly, the condensed interim results of operations and condensed interim financial position of the Branch have been consolidated in this condensed interim separate and consolidated financial information.

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



## **Raysut Cement Company SAOG and its Subsidiaries**

Notes to the condensed interim separate and consolidated financial information for the three months period ended 31 March 2024

### **2. Basis of preparation**

This condensed interim separate and consolidated financial information for the three months period ended 31 March 2024 has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and the requirements set out in the rules for disclosures issued by the Financial Services Authority of the Sultanate of Oman. This condensed interim separate and consolidated financial information should be read in conjunction with the separate and consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRSs). This condensed interim separate and consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRSs. In addition, results for the three months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

### **3. Material accounting policies**

#### **3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2024**

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the condensed interim separate and consolidated financial information.

#### **3.2 Estimates**

The preparation of condensed interim separate and consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim separate and consolidated financial information the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the separate and consolidated financial statements for the year ended 31 December 2023.

#### **3.3 Going concern assumption**

During the three months period ended 31 March 2024, the Group has reported a loss of RO 2,610,081 and as at that date, the current liabilities exceeded current assets by RO 38,581,356. The Management is working under the guidance of the Board of Directors to improve its operations and believes it is appropriate to prepare the condensed interim separate and consolidated financial information on going concern basis based on the following:

- The Group's net equity is positive in the amount of RO 8,929,245 as at 31 March 2024;
- Group's net cash flows from operating activities are positive in the amount of RO 1,343,563 during the three months period ended 31 March 2024;
- Management is under discussion with its bankers to restructure the repayment terms of its borrowings in line with the approved projected cash flows.
- The Management is further evaluating options of raising additional capital; and
- Various cost control measures have been implemented by the Management to improve the profitability of the Group.

As described above, the Management has a reasonable expectation that the Group will be able to arrange adequate resources or defer its financing outflows to continue in operational existence without a significant curtailment of its current level of activities for the foreseeable future. If, for any reason, the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the condensed interim separate and consolidated financial information.

## Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

### 4. Goodwill

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

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

|  | <b>Consolidated</b>       |                           |
|--|---------------------------|---------------------------|
|  | <b><u>31-Mar-2024</u></b> | <b><u>31-Dec-2023</u></b> |
|  | <b><u>(unaudited)</u></b> | <b><u>(audited)</u></b>   |
|  | <b><u>RO</u></b>          | <b><u>RO</u></b>          |
| Pioneer Cement Industries, UAE                                     | <b>45,798,586</b>         | 45,798,586                |
| Less: impairment loss  | <b>(45,798,586)</b>       | (45,798,586)              |
| Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC), Oman | <b>818,482</b>            | 818,482                   |
| Raysut Maldives Cement Pvt. Ltd., Maldives                         | <b>2,517,390</b>          | 2,517,390                 |
|  | <b><u>3,335,872</u></b>   | <b><u>3,335,872</u></b>   |

At 31 December 2023, management had tested the goodwill for impairment in accordance with IAS 36. In the opinion of management, there is no significant change in the goodwill at the reporting date from its last assessment.

Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

5. Property, plant and equipment

| Parent                          | Land,<br>buildings<br>civil works<br>and mines<br>RO | Plant and<br>machinery<br>RO | Motor<br>vehicles<br>RO | Furniture<br>and<br>fixtures<br>RO | Office<br>equipment<br>RO | Vehicles,<br>equipment<br>and tools<br>RO | Lease hold<br>vehicles<br>RO | Capital<br>work-in-<br>progress<br>RO | Total<br>RO               |
|---------------------------------|--|------------------------------|-------------------------|------------------------------------|---------------------------|---|------------------------------|---------------------------------------|---------------------------|
| <b>Cost</b>                     |  |                              |                         |                                    |                           |   |                              |                                       |                           |
| At 1 January 2023               | 37,188,858   | 89,721,575                   | 314,135                 | 255,601                            | 1,684,646                 | 10,103,823                                | 240,100                      | 12,684,622                            | 152,193,360               |
| Additions                       | -  | -                            | -                       | -                                  | -                         | -   | -                            | 417,880                               | 417,880                   |
| Transfers                       | -  | 762,069                      | -                       | -                                  | -                         | 145,716                                   | -                            | (907,785)                             | -                         |
| At 31 December 2023             | <u>37,188,858</u>                                    | <u>90,483,644</u>            | <u>314,135</u>          | <u>255,601</u>                     | <u>1,684,646</u>          | <u>10,249,539</u>                         | <u>240,100</u>               | <u>12,194,717</u>                     | <u>152,611,240</u>        |
| <b>At 1 January 2024</b>        | <b><u>37,188,858</u></b>                             | <b><u>90,483,644</u></b>     | <b><u>314,135</u></b>   | <b><u>255,601</u></b>              | <b><u>1,684,646</u></b>   | <b><u>10,249,539</u></b>                  | <b><u>240,100</u></b>        | <b><u>12,194,717</u></b>              | <b><u>152,611,240</u></b> |
| <b>At 31 March 2024</b>         | <b><u>37,188,858</u></b>                             | <b><u>90,483,644</u></b>     | <b><u>314,135</u></b>   | <b><u>255,601</u></b>              | <b><u>1,684,646</u></b>   | <b><u>10,249,539</u></b>                  | <b><u>240,100</u></b>        | <b><u>12,194,717</u></b>              | <b><u>152,611,240</u></b> |
| <b>Accumulated depreciation</b> |  |                              |                         |                                    |                           |   |                              |                                       |                           |
| At 1 January 2023               | 23,155,128   | 56,181,758                   | 309,134                 | 238,716                            | 1,386,636                 | 7,445,425                                 | 205,775                      | -                                     | 88,922,572                |
| Charge for the year             | 996,140  | 2,281,487                    | 5,001                   | 6,957                              | 170,067                   | 700,613                                   | 34,325                       | -                                     | 4,194,590                 |
| At 31 December 2023             | <u>24,151,268</u>                                    | <u>58,463,245</u>            | <u>314,135</u>          | <u>245,673</u>                     | <u>1,556,703</u>          | <u>8,146,038</u>                          | <u>240,100</u>               | <u>-</u>                              | <u>93,117,162</u>         |
| <b>At 1 January 2024</b>        | <b><u>24,151,268</u></b>                             | <b><u>58,463,245</u></b>     | <b><u>314,135</u></b>   | <b><u>245,673</u></b>              | <b><u>1,556,703</u></b>   | <b><u>8,146,038</u></b>                   | <b><u>240,100</u></b>        | <b><u>-</u></b>                       | <b><u>93,117,162</u></b>  |
| Charge for the period           | 248,528  | 550,695                      | -                       | 1,740                              | 41,369                    | 171,260                                   | -                            | -                                     | 1,013,592                 |
| <b>At 31 March 2024</b>         | <b><u>24,399,796</u></b>                             | <b><u>59,013,940</u></b>     | <b><u>314,135</u></b>   | <b><u>247,413</u></b>              | <b><u>1,598,072</u></b>   | <b><u>8,317,298</u></b>                   | <b><u>240,100</u></b>        | <b><u>-</u></b>                       | <b><u>94,130,754</u></b>  |
| <b>Net carrying value</b>       |  |                              |                         |                                    |                           |   |                              |                                       |                           |
| <b>At 31 March 2024</b>         | <b><u>12,789,062</u></b>                             | <b><u>31,469,704</u></b>     | <b><u>-</u></b>         | <b><u>8,188</u></b>                | <b><u>86,574</u></b>      | <b><u>1,932,241</u></b>                   | <b><u>-</u></b>              | <b><u>12,194,717</u></b>              | <b><u>58,480,486</u></b>  |
| At 31 December 2023             | <u>13,037,590</u>                                    | <u>32,020,399</u>            | <u>-</u>                | <u>9,928</u>                       | <u>127,943</u>            | <u>2,103,501</u>                          | <u>-</u>                     | <u>12,194,717</u>                     | <u>59,494,078</u>         |

The property, plant and equipment are mortgaged against borrowings obtained from banks (Note 20).

**Raysut Cement Company SAOG and its Subsidiaries**

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

**5. Property, plant and equipment (continued)**

| <b>Consolidated</b>             | <b>Land,<br/>buildings<br/>civil works<br/>and mines<br/>RO</b> | <b>Plant and<br/>machinery<br/>RO</b> | <b>Motor<br/>vehicles<br/>RO</b> | <b>Lease<br/>hold<br/>vehicles<br/>RO</b> | <b>Furniture<br/>and<br/>fixtures<br/>RO</b> | <b>Office<br/>equipment<br/>RO</b> | <b>Vehicles,<br/>equipment<br/>and tools<br/>RO</b> | <b>Capital<br/>work-in-<br/>progress<br/>RO</b> | <b>Total<br/>RO</b> |
|---------------------------------|---|---------------------------------------|----------------------------------|---|--|------------------------------------|---|---|---------------------|
| <b>Cost</b>                     |   |                                       |                                  |   |  |                                    |   |   |                     |
| At 1 January 2023               | 53,094,374  | 142,176,187                           | 612,719                          | 240,100                                   | 476,682                                      | 2,364,356                          | 13,477,891  | 28,041,934                                      | 240,484,243         |
| Additions                       | -   | 995                                   | -                                | -   | 3,697  | 4,544                              | 36,962  | 2,304,950                                       | 2,351,148           |
| Transfers                       | -   | 762,069                               | -                                | -   | -  | -                                  | 158,003   | (934,408)                                       | (14,336)            |
| <b>At 31 December 2023</b>      | <b>53,094,374</b>   | <b>142,939,251</b>                    | <b>612,719</b>                   | <b>240,100</b>                            | <b>480,379</b>                               | <b>2,368,900</b>                   | <b>13,672,856</b>                                   | <b>29,412,476</b>                               | <b>242,821,055</b>  |
| <b>At 1 January 2024</b>        | <b>53,094,374</b>   | <b>142,939,251</b>                    | <b>612,719</b>                   | <b>240,100</b>                            | <b>480,379</b>                               | <b>2,368,900</b>                   | <b>13,672,856</b>                                   | <b>29,412,476</b>                               | <b>242,821,055</b>  |
| Additions                       | -   | 122,268                               | -                                | -   | 176  | -                                  | -   | -   | 122,444             |
| Transfers                       | -   | -                                     | -                                | -   | -  | -                                  | -   | (1,752,984)                                     | (1,752,984)         |
| <b>At 31 March 2024</b>         | <b>53,094,374</b>   | <b>143,061,519</b>                    | <b>612,719</b>                   | <b>240,100</b>                            | <b>480,555</b>                               | <b>2,368,900</b>                   | <b>13,672,856</b>                                   | <b>27,659,492</b>                               | <b>241,190,515</b>  |
| <b>Accumulated depreciation</b> |   |                                       |                                  |   |  |                                    |   |   |                     |
| At 1 January 2023               | 35,531,016  | 76,724,696                            | 542,083                          | 205,775                                   | 429,683                                      | 1,845,240                          | 10,210,076  | 7,638,858                                       | 133,127,427         |
| Charge for the year             | 1,660,505   | 3,592,347                             | 16,745                           | 34,325                                    | 15,000                                       | 180,772                            | 930,620   | -   | 6,430,314           |
| <b>At 31 December 2023</b>      | <b>37,191,521</b>   | <b>80,317,043</b>                     | <b>558,828</b>                   | <b>240,100</b>                            | <b>444,683</b>                               | <b>2,026,012</b>                   | <b>11,140,696</b>                                   | <b>7,638,858</b>                                | <b>139,557,741</b>  |
| <b>At 1 January 2024</b>        | <b>37,191,521</b>   | <b>80,317,043</b>                     | <b>558,828</b>                   | <b>240,100</b>                            | <b>444,683</b>                               | <b>2,026,012</b>                   | <b>11,140,696</b>                                   | <b>7,638,858</b>                                | <b>139,557,741</b>  |
| Charge for the year             | 414,534   | 888,592                               | 2,798                            | -   | 4,609  | 46,585                             | 224,525   | -   | 1,581,643           |
| <b>At 31 March 2024</b>         | <b>37,606,055</b>   | <b>81,205,635</b>                     | <b>561,626</b>                   | <b>240,100</b>                            | <b>449,292</b>                               | <b>2,072,597</b>                   | <b>11,365,221</b>                                   | <b>7,638,858</b>                                | <b>141,139,384</b>  |
| <b>Net carrying value</b>       |   |                                       |                                  |   |  |                                    |   |   |                     |
| <b>At 31 March 2024</b>         | <b>15,488,319</b>   | <b>61,855,884</b>                     | <b>51,093</b>                    | <b>-</b>                                  | <b>31,263</b>                                | <b>296,303</b>                     | <b>2,307,635</b>                                    | <b>20,020,634</b>                               | <b>100,051,131</b>  |
| At 31 December 2023             | 15,902,853  | 62,622,208                            | 53,891                           | -   | 35,696                                       | 342,888                            | 2,532,160   | 21,773,618                                      | 103,263,314         |

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

## 5. Property, plant and equipment (continued)

The limestone mining rights of Pioneer Cement Industries located in UAE and Georgia are included in property, plant and equipment in the amount of RO 557,407 (2023: RO 593,427).

Depreciation is allocated for the period/year as follows:

|                                     | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-------------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                     | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                                     | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                                     | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Cost of sales                       | 964,451            | 3,995,887          | 1,509,054           | 6,136,376          |
| General and administrative expenses | 49,141             | 198,703            | 72,589              | 293,938            |
|                                     | <u>1,013,592</u>   | <u>4,194,590</u>   | <u>1,581,643</u>    | <u>6,430,314</u>   |

## 6. Right-of-use assets

| <u>Parent</u>                   | <u>Leasehold</u>        |
|---------------------------------|-------------------------|
|                                 | <u>properties</u>       |
|                                 | <u>RO</u>               |
| <b>Cost</b>                     |                         |
| At 1 January 2023               | 3,446,229               |
| At 31 December 2023             | <u>3,446,229</u>        |
| <b>At 1 January 2024</b>        | <b>3,446,229</b>        |
| <b>At 31 March 2024</b>         | <b><u>3,446,229</u></b> |
| <b>Accumulated depreciation</b> |                         |
| At 1 January 2023               | 897,614                 |
| Charge for the year             | 224,402                 |
| At 31 December 2023             | <u>1,122,016</u>        |
| <b>At 1 January 2024</b>        | <b>1,122,016</b>        |
| Charge for the period           | 56,100                  |
| <b>At 31 March 2024</b>         | <b><u>1,178,116</u></b> |
| <b>Net carrying value</b>       |                         |
| <b>At 31 March 2024</b>         | <b><u>2,268,113</u></b> |
| At 31 December 2023             | <u>2,324,213</u>        |
| <b>Consolidated</b>             |                         |
| <b>Cost</b>                     |                         |
| At 1 January 2023               | 7,289,716               |
| Additions                       | 689,350                 |
| At 31 December 2023             | <u>7,979,066</u>        |
| <b>At 1 January 2024</b>        | <b>7,979,066</b>        |
| Additions                       | -                       |
| <b>At 31 March 2024</b>         | <b><u>7,979,066</u></b> |
| <b>Accumulated depreciation</b> |                         |
| At 1 January 2023               | 1,470,252               |
| Charge for the year             | 441,280                 |
| At 31 December 2023             | <u>1,911,532</u>        |
| <b>At 1 January 2024</b>        | <b>1,911,532</b>        |
| Charge for the period           | 110,318                 |
| <b>At 31 March 2024</b>         | <b><u>2,021,850</u></b> |
| <b>Net carrying value</b>       |                         |
| <b>At 31 March 2024</b>         | <b><u>5,957,216</u></b> |
| At 31 December 2023             | <u>6,067,534</u>        |

The Parent Company has been granted leasehold rights by late His Majesty Sultan Qaboos bin Said for the use of land, on which the factory has been constructed, for a period of thirty years from 1 July 1984. Current policy of the Ministry has changed from long term lease tenure to yearly lease. The Parent Company has applied for the extension of lease period and does so on yearly basis. The Parent Company has considered the lease term considering all relevant factors.

Buildings of the subsidiary, Pioneer Cement Industries, are constructed and the site development is carried out on a plot of land leased from RAK Investment Authority for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.

Buildings of the subsidiary, Sohar Cement factory SPC, are constructed and the site development is carried out on a plot of land leased from Ministry for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

## 6. Right-of-use assets (continued)

In 2021, subsidiary Company, Duqm Cement Factory LLC, recognised right-of-use assets and lease liabilities relating to the leasehold land with a period of 30 years. Upon its expiry, the lease can be renewed for a further term and on same conditions.

Depreciation is allocated as follows:

|                                     | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-------------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                     | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                                     | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                                     | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Cost of sales                       | 45,222             | 180,889            | 82,001              | 328,007            |
| General and administrative expenses | -                  | -                  | 17,439              | 69,760             |
| Selling and distribution expenses   | 10,878             | 43,513             | 10,878              | 43,513             |
|                                     | <u>56,100</u>      | <u>224,402</u>     | <u>110,318</u>      | <u>441,280</u>     |

## 7. Investment in an associate

|                  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|------------------|--------------------|--------------------|---------------------|--------------------|
|                  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Cost             | 113,343            | 113,343            | 113,343             | 113,343            |
| Less: Impairment | (113,343)          | (113,343)          | (113,343)           | (113,343)          |
|                  | <u>-</u>           | <u>-</u>           | <u>-</u>            | <u>-</u>           |

## 8. Investment in subsidiaries

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Pioneer Cement Industries, UAE               |                    |                    | 66,532,035          | 66,532,035         |
| Less: Provision for impairment of investment |                    |                    | (52,522,928)        | (52,522,928)       |
|  |                    |                    | <u>14,009,107</u>   | <u>14,009,107</u>  |
| Sohar Cement Factory SPC, Oman               |                    |                    | 12,524,568          | 12,524,568         |
| Raysut Burwaqo Cement Company LLC, Somalia   |                    |                    | 102,000             | 102,000            |
| Raysut Maldives Cement Private Ltd, Maldives |                    |                    | 3,240,265           | 3,240,265          |
| Raysut Cement Trading Madagascar             |                    |                    | 99                  | 99                 |
| Less: Provision for impairment of investment |                    |                    | (99)                | (99)               |
| Duqm Cement Factory LLC, Oman                |                    |                    | 150,000             | 150,000            |
|  |                    |                    | <u>30,025,940</u>   | <u>30,025,940</u>  |

On 30 December 2010, the Parent Company acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer'). Pioneer was incorporated on 24 September 2004 in Ras Al Khaimah, UAE.

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

Investment in Raysut Burwaqo Cement Company ('RBCC') represents 51% (2023: 51%) equity interest. RBCC was incorporated in January 2017 in the Sultanate of Oman. RBCC has not commenced its commercial operations as of the reporting date.

On 12 August 2020, the Parent Company acquired 75% ordinary shares of Raysut Maldives Cement Pvt Ltd ('Raysut Maldives') formerly Lafarge Maldives Cement Private Limited. Raysut Maldives was incorporated on 2 September 1998 in K' Male, Republic of Maldives.

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

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

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

| 31 March 2024                       | <u>Total assets</u> | <u>Total liabilities</u> | <u>Net assets</u> | <u>Revenue</u> | <u>Profit / (loss)</u> |
|-------------------------------------|---------------------|--------------------------|-------------------|----------------|------------------------|
|                                     | <u>RO</u>           | <u>RO</u>                | <u>RO</u>         | <u>RO</u>      | <u>RO</u>              |
| Pioneer Cement Industries           | 41,672,156          | 17,442,277               | 24,229,879        | 4,083,995      | (1,033,997)            |
| Sohar Cement Factory SPC            | 24,470,008          | 13,742,525               | 10,727,483        | 3,016,133      | 6,300                  |
| Raysut Burwaqo Cement Company       | 148,074             | 1,000                    | 147,074           | -              | -                      |
| Raysut Maldives Cement Private Ltd. | 2,574,971           | 1,085,768                | 1,489,203         | 727,901        | 32,657                 |
| Raysut Cement Trading Madagascar    | 768,883             | 1,897,704                | (1,128,821)       | -              | -                      |
| Duqm Cement Factory LLC             | 8,384,519           | 10,921,831               | (2,537,312)       | -              | (115,864)              |
|                                     | <u>Total assets</u> | <u>Total liabilities</u> | <u>Net assets</u> | <u>Revenue</u> | <u>Profit / (loss)</u> |
| 31 December 2023                    | <u>RO</u>           | <u>RO</u>                | <u>RO</u>         | <u>RO</u>      | <u>RO</u>              |
| Pioneer Cement Industries           | 44,844,138          | 19,580,264               | 25,263,874        | 18,312,410     | (1,801,100)            |
| Sohar Cement Factory SPC            | 25,335,438          | 14,614,255               | 10,721,183        | 15,472,140     | (662,628)              |
| Raysut Burwaqo Cement Company       | 149,074             | 2,000                    | 147,074           | -              | (751)                  |
| Raysut Maldives Cement Private Ltd. | 2,652,792           | 1,181,215                | 1,471,577         | 2,986,736      | 185,317                |
| Raysut Cement Trading Madagascar    | 768,883             | 1,897,704                | (1,128,821)       | -              | -                      |
| Duqm Cement Factory LLC             | 10,152,563          | 12,574,010               | (2,421,447)       | -              | (193,575)              |

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

## 9. Financial assets at fair value through other comprehensive income

|                                  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|----------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                                  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                                  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Unquoted local equity investment | 125,000            | 125,000            | 125,000             | 125,000            |
| Less: provision for impairment   | (125,000)          | (125,000)          | (125,000)           | (125,000)          |
|                                  | <u>-</u>           | <u>-</u>           | <u>-</u>            | <u>-</u>           |

## 10. Inventories

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Raw materials                                | 996,099            | 1,050,798          | 1,389,312           | 1,410,794          |
| Work-in-progress                             | 7,178,398          | 8,939,884          | 8,819,196           | 11,632,819         |
| Finished goods                               | 2,878,553          | 3,164,538          | 3,541,108           | 4,003,094          |
| Provision for inventories [note 10.1]        | (3,413,267)        | (3,413,267)        | (3,413,267)         | (3,413,267)        |
|  | <u>7,639,783</u>   | <u>9,741,953</u>   | <u>10,336,349</u>   | <u>13,633,440</u>  |
| Spares and consumables                       | 6,814,372          | 6,741,129          | 10,692,532          | 10,971,484         |
| Allowance for slow-moving spares [note 10.2] | (2,958,072)        | (2,928,072)        | (3,926,757)         | (3,888,867)        |
|  | <u>11,496,083</u>  | <u>13,555,010</u>  | <u>17,102,124</u>   | <u>20,716,057</u>  |

### 10.1 Movement in provision for inventories is as follows:

|                            | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|----------------------------|--------------------|--------------------|---------------------|--------------------|
|                            | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                            | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                            | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| At 1 January               | 3,413,267          | 3,413,267          | 3,413,267           | 3,413,267          |
| Charge for the period/year | -                  | -                  | -                   | -                  |
|                            | <u>3,413,267</u>   | <u>3,413,267</u>   | <u>3,413,267</u>    | <u>3,413,267</u>   |

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

|                            | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|----------------------------|--------------------|--------------------|---------------------|--------------------|
|                            | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                            | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                            | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| At 1 January               | 2,928,072          | 2,808,072          | 3,888,867           | 3,490,537          |
| Charge for the period/year | 30,000             | 120,000            | 37,890              | 398,330            |
|                            | <u>2,958,072</u>   | <u>2,928,072</u>   | <u>3,926,757</u>    | <u>3,888,867</u>   |

## 11. Trade receivables

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Trade receivables  | 12,259,967         | 12,329,722         | 18,128,761          | 19,012,273         |
| Due from related parties [note 39(a)]                                  | 13,457,934         | 13,567,495         | 11,584,217          | 11,820,268         |
|  | <u>25,717,901</u>  | <u>25,897,217</u>  | <u>29,712,978</u>   | <u>30,832,541</u>  |
| Less: allowance for expected credit losses on trade receivables        | (11,121,887)       | (11,119,136)       | (13,750,770)        | (13,952,806)       |
| Less: allowance for expected credit losses on due from related parties | (12,339,045)       | (12,341,796)       | (10,591,818)        | (10,594,569)       |
|  | <u>2,256,969</u>   | <u>2,436,285</u>   | <u>5,370,390</u>    | <u>6,285,166</u>   |

Details of gross exposure of trade receivables are set out below:

|                           | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|---------------------------|--------------------|--------------------|---------------------|--------------------|
|                           | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                           | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                           | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Not due                   | 1,690,985          | 1,250,018          | 3,573,764           | 3,132,798          |
| Past due but not impaired | 565,984            | 1,186,267          | 1,796,626           | 3,152,368          |
| Past due and impaired     | 23,460,932         | 23,460,932         | 24,342,588          | 24,547,375         |
|                           | <u>25,717,901</u>  | <u>25,897,217</u>  | <u>29,712,978</u>   | <u>30,832,541</u>  |

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

## 11. Trade receivables (continued)

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

|                            | <u>Parent</u>   |   | <u>Consolidated</u>                                   |   |
|----------------------------|---|---|---|---|
|                            | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> |
| At 1 January               | 23,460,932  | 22,451,815  | 24,547,375  | 22,774,676  |
| Charge for the period/year | -   | 1,009,117   | (204,787)   | 1,772,699   |
|                            | <u>23,460,932</u>                                     | <u>23,460,932</u>                                   | <u>24,342,588</u>                                     | <u>24,547,375</u>                                   |

## 12. Financial assets at fair value through profit or loss

|                                     | <u>Parent and Consolidated</u>                        |   |
|-------------------------------------|---|---|
|                                     | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> |
| <b>Fair value</b>                   |   |   |
| Bank Dhofar SAOG, Oman              | 2,752,437   | 2,752,437   |
| Dhofar Insurance Company SAOG, Oman | 159,334   | 166,000   |
| Dhofar University SAOC, Oman        | 267,300   | 267,300   |
|                                     | <u>3,179,071</u>                                      | <u>3,185,737</u>                                    |
| <b>Cost</b>                         |   |   |
| Bank Dhofar SAOG                    | 1,229,700   | 1,229,700   |
| Dhofar Insurance Company SAOG       | 29,600  | 29,600  |
| Dhofar University SAOC              | 300,000   | 300,000   |
|                                     | <u>1,559,300</u>                                      | <u>1,559,300</u>                                    |

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

|                    | <u>Parent and Consolidated</u>                        |   |
|--------------------|---|---|
|                    | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> |
| At 1 January       | 3,185,737   | 3,417,111   |
| Fair value changes | (6,666)   | (231,374)   |
|                    | <u>3,179,071</u>                                      | <u>3,185,737</u>                                    |

Bank Dhofar SAOG and Dhofar Insurance Company SAOG shares are pledged against short term borrowings (Note 25).

## 13. Prepayments, advances and other receivables

|   | <u>Parent</u>   |   | <u>Consolidated</u>                                   |   |
|---|---|---|---|---|
|   | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u><br><u>RO</u> | <u>31-Dec-2023</u><br><u>(audited)</u><br><u>RO</u> |
| Advances and deposits                               | 3,298,982   | 3,207,572   | 4,669,959   | 4,694,364   |
| Less: allowances for impairment                     | (2,982,683)   | (2,985,451)   | (3,920,048)   | (3,920,048)   |
|   | <u>316,299</u>  | <u>222,121</u>                                      | <u>749,911</u>  | <u>774,316</u>                                      |
| Other receivables from related parties [note 39(b)] | 22,900,910  | 22,663,484  | 15,804,632  | 15,804,632  |
| Less: allowance for impairment [note 39(b)]         | (21,225,364)  | (21,222,596)  | (15,804,632)  | (15,804,632)  |
|   | <u>1,675,546</u>                                      | <u>1,440,888</u>                                    | <u>-</u>  | <u>-</u>  |
| Receivable from tax authorities                     | 559,139   | 559,139   | 559,139   | 559,139   |
| Less: allowance for impairment                      | (559,139)   | (559,139)   | (559,139)   | (559,139)   |
|   | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| Prepayments   | -   | -   | 239,940   | 83,773  |
| VAT, net  | 167,895   | 199,124   | 314,400   | 483,393   |
| Advances to staff                                   | -   | -   | 62,813  | 56,963  |
| Other receivables                                   | 1,922,967   | 1,779,646   | 2,572,943   | 2,369,033   |
| Less: Provision for impairment loss                 | (1,779,646)   | (1,779,646)   | (1,779,646)   | (1,779,646)   |
|   | <u>143,321</u>  | <u>-</u>  | <u>793,297</u>  | <u>589,387</u>                                      |
|   | <u>2,303,061</u>                                      | <u>1,862,133</u>                                    | <u>2,160,361</u>                                      | <u>1,987,832</u>                                    |



## Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
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### 13. Prepayments, advances and other receivables (continued)

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

|                            | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|----------------------------|--------------------|--------------------|---------------------|--------------------|
|                            | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                            | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                            | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| At 1 January               | 26,546,832         | 25,868,700         | 22,063,465          | 21,879,039         |
| Charge for the period/year | -                  | 678,132            | -                   | 184,426            |
|                            | <u>26,546,832</u>  | <u>26,546,832</u>  | <u>22,063,465</u>   | <u>22,063,465</u>  |

### 14. Cash and bank balances

|                  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|------------------|--------------------|--------------------|---------------------|--------------------|
|                  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Cash in hand     | 9,771              | 8,883              | 25,312              | 34,499             |
| Cash at bank:    |                    |                    |                     |                    |
| Current accounts | 715,082            | 398,362            | 1,663,918           | 1,648,962          |
| Call deposits    | 127,197            | 4,482              | 127,197             | 4,482              |
|                  | <u>852,050</u>     | <u>411,727</u>     | <u>1,816,427</u>    | <u>1,687,943</u>   |

Call deposits are placed with the commercial banks at interest rates ranging from 0.5% to 1.5% (2023: 0.5% - 1.5%) per annum. There are no restrictions on bank balances at the time of approval of the condensed interim separate and consolidated financial information.

### 15. Share capital

|                                  | <u>Parent</u>      |                    |
|----------------------------------|--------------------|--------------------|
|                                  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> |
|                                  | <u>(unaudited)</u> | <u>(audited)</u>   |
|                                  | <u>RO</u>          | <u>RO</u>          |
| Authorised share capital         | 21,000,000         | 21,000,000         |
| Issued and paid up share capital | 20,000,000         | 20,000,000         |

The authorised share capital of the Parent Company represents 210,000,000 (2023: 210,000,000) ordinary shares of RO 0.100 each and issued and paid up share capital of the Parent Company represents 200,000,000 ordinary shares of RO 0.100 each.

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

|                                     | <u>% Share holding</u> |                    | <u>Shares held</u> |                    |
|-------------------------------------|------------------------|--------------------|--------------------|--------------------|
|                                     | <u>31-Mar-2024</u>     | <u>31-Dec-2023</u> | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> |
|                                     | <u>(unaudited)</u>     | <u>(audited)</u>   | <u>(unaudited)</u> | <u>(audited)</u>   |
| Abu Dhabi Fund for Development, UAE | 15.00                  | 15.00              | 30,000,000         | 30,000,000         |
| Social Protection Fund              | 14.97                  | -                  | 29,946,009         | -                  |
| Islamic Development Bank            | 11.71                  | 11.71              | 23,415,000         | 23,415,000         |
| Dolphin International               | 10.33                  | 10.33              | 20,657,710         | 20,657,710         |
| Schwenk Cement Nederland B.V.       | 10.00                  | 10.00              | 20,001,001         | 20,001,001         |
|                                     | 62.01                  | 47.04              | 124,019,720        | 94,073,711         |
| Others                              | 37.99                  | 52.96              | 75,980,280         | 105,926,289        |
|                                     | <u>100.00</u>          | <u>100.00</u>      | <u>200,000,000</u> | <u>200,000,000</u> |

### 16. Share premium

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

### 17. Legal reserve

As per Article no 132 of Commercial Companies Law of the Sultanate of Oman, 2019 requires that 10% of the Parent Company's net profit be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's issued share capital. During the period, the Parent Company has not added to these reserves as the stipulated limit has already been reached.

### 18. Asset replacement reserve

The Board of Directors had resolved that 5% of the Parent Company's net profit for the year be transferred to a reserve for the purpose of replacement of capital assets until the amount together with any other voluntary reserves reach one half of the Parent Company's issued capital. During the period, the Parent Company has not added to these reserves as the stipulated limit has already been reached.

### 19. Voluntary reserve

The Board of Directors had resolved that 10% of the Parent Company's net profit to be transferred to voluntary reserve. During the period, the Parent Company has not added to this reserve as the stipulated limit has already been reached.

## Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
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### 20. Borrowings

|                                | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                                | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                                | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| <b>Non-current portion</b>     |                    |                    |                     |                    |
| Bank Nizwa SAOG                | 11,165,726         | 11,165,726         | 11,165,726          | 11,165,726         |
| Bank Dhofar SAOG               | 3,899,377          | 3,899,377          | 3,899,377           | 3,899,377          |
| Sohar International Bank       | 4,112,570          | 4,112,570          | 4,112,570           | 4,112,570          |
| Al Masraf Bank                 | -                  | -                  | 8,478,740           | 8,475,092          |
| Ahli Bank SAOG                 | 2,370,000          | 2,370,000          | 6,814,109           | 6,814,109          |
| Alizz Bank                     | -                  | -                  | 3,460,091           | 3,646,709          |
| Loan from a subsidiary company | 6,347,991          | 6,348,609          | -                   | -                  |
| Taageer Finance                | 716,927            | 749,249            | 1,496,667           | 1,552,674          |
| SME Development Fund           | 1,232,007          | 1,390,328          | 1,232,007           | 1,390,328          |
| Lease hold vehicles            | -                  | -                  | -                   | -                  |
| Transaction costs deferred     | (552,665)          | (746,334)          | (552,665)           | (746,334)          |
|                                | <u>29,291,933</u>  | <u>29,289,525</u>  | <u>40,106,622</u>   | <u>40,310,251</u>  |
| <b>Current portion</b>         |                    |                    |                     |                    |
| Bank Dhofar SAOG               | 1,200,623          | 1,200,623          | 1,200,623           | 1,200,623          |
| Sohar International Bank       | 937,068            | 937,068            | 937,068             | 937,068            |
| Al Masraf Bank                 | -                  | -                  | 542,718             | 649,625            |
| Ahli Bank SAOG                 | 600,000            | 600,000            | 600,000             | 600,000            |
| Alizz Bank                     | -                  | -                  | 1,468,275           | 1,673,519          |
| Loan from a subsidiary company | 542,718            | 649,007            | -                   | -                  |
| Taageer Finance                | 123,471            | 119,691            | 342,807             | 339,027            |
| SME Development Fund           | 609,208            | 593,499            | 609,208             | 593,499            |
| Lease hold vehicle             | -                  | -                  | -                   | -                  |
| Transaction costs deferred     | (28,345)           | (28,345)           | (28,345)            | (28,345)           |
|                                | <u>3,984,743</u>   | <u>4,071,543</u>   | <u>5,672,354</u>    | <u>5,965,016</u>   |
|                                | <u>33,276,676</u>  | <u>33,361,068</u>  | <u>45,778,976</u>   | <u>46,275,267</u>  |

#### Parent

A loan of RO 32 million was obtained from Bank Dhofar SAOG which is repayable in 20 semi-annual variable instalments starting from December 2012. The loan is secured by a first pari passu charge over fixed assets of the Parent Company and assignment of insurance policies along with other banks. In 2016, the term loan was converted into USD without changing the repayment schedule. In August 2021 loan outstanding of RO 5.1 million was rescheduled in 11 un-equal instalments, repayment starting from December 2021 to December 2026. The rate of interest is 3 months LIBOR + 400 bps (presently SOFR + 400 bps) (with minimum all in interest rate of 5% per annum) applied and payable in quarterly instalments. Repayment of the principal has not commenced yet and deferment of the principal repayment is extended by the bank up to June 2024.

A loan of RO 13.125 million at 7% interest was obtained from Sohar International Bank which was repayable in 14 equal semi-annual instalments starting from December 2016, to prepay loans that were at higher rate. The loan is secured by a first pari passu charge over the fixed assets of the Parent Company and assignment of insurance policies along with other banks. In December 2021 outstanding loan RO 5.049 was rescheduled in 9 un-equal instalments starting from June 2024, at a rate of interest of 7% per annum applied and payable in quarterly instalments.

Wakala Bel Istithmar (financing by Investment agency) of RO 12 million was obtained through Islamic finance from a commercial bank and carries a profit rate of 6.35% per annum. The facility is secured against a first Pari passu charge over fixed assets of the Parent Company. In December 2021, outstanding facility was rescheduled in 23 un-equal instalments starting from March 2023, at a profit rate of 7% per annum applied and payable in quarterly instalments. The loan was further rescheduled in 2023 with repayment of principal starting from June 2025 with 14 unequal quarterly instalments, with a profit rate of 7.50% p.a.

The Parent Company obtained a loan from one of the subsidiaries, Pioneer Cement Industries, which is repayable over 8 years with the first quarterly instalment payable in June 2019. The facility carries mark-up at 3 month EIBOR + 4% p.a. (minimum 5% p.a.).

The working capital overdraft of RO 3 million, initially acquired from Ahli Bank SAOG, was restructured in September 2022 into a term loan spanning 6 years. Repayment consists of 22 unequal quarterly instalments commencing after the moratorium period ends in June 2023. This loan is secured by a pari-passu commercial mortgage on assets. The current interest rate stands at 6.5% (previously 7.00%) per annum, subject to semi-annual review.

Parent Company obtained term loan of RO 1 Million from Taageer Finance Company, repayable in 90 equal instalments, with the annual interest rate of 8.06% p.a. The facility is secured against the mortgage of the equipment of the Company.

Parent Company obtained a term loan of RO 3 Million from SME Development Fund, repayable in 60 equal instalments, with the annual interest rate of 5.79% per annum. The facility is secured against the mortgage of the plant and machinery of the subsidiary.

#### Subsidiary Companies

##### Pioneer Cement Industries, UAE

Pioneer Cement Industries, has obtained a commercial term loan facility from a local commercial bank repayable in 8 years with first quarterly instalment due in June 2019. The facility is secured against the commercial mortgage of the plant and machinery of the Company, promissory notes and corporate guarantee by the Parent Company and carries mark-up at 3 month EIBOR + 3% p.a. (minimum 5% p.a.).

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
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## 20. Borrowings (continued)

### Sohar Cement Factory SPC, Oman

Diminishing Ijara'h facility of RO 11.5 million was obtained through Islamic finance from a commercial bank by Sohar Cement, carrying a profit rate of 6.25% (presently 7.50%) per annum on diminishing balances basis. The Ijara'h facility is repayable in 28 quarterly instalment of RO 410,715 each beginning from June 2019 and ending on March 2027. The Ijara'h facility is secured against i) sale undertaking of fixed assets by creditors; ii) Mortgage/ transfer of Usufruct/ assignment of Usufruct of the assets; iii) assignment of all Takaful proceeds or additions of the facility Agent as a loss payee; and (iv) corporate guarantee from the Parent Company.

### Duqm Cement Factory LLC, Oman

A loan of RO 8.1 million was sanctioned from Ahli Bank SAOG for a period of 10 years and is repayable in 32 unequal quarterly instalments starting from end of moratorium period of 24 months starting from December 2020. In September 2022, the term loan was restructured for the amount utilized of RO 4.444 million with a capital moratorium of 2 years up to September 2024. The maturity of the loan will remain as per the initial loan agreement and the repayment will be in unequal quarterly instalments.

The loan is secured by a i) usufruct mortgage over leased land where project is being constructed; ii) exclusive commercial mortgage over total Company assets covering 100% of facility exposure; iii) corporate guarantees of Raysut Cement Company SAOG, Sohar Cement Factory SPC and Pioneer Cement Industries. The rate of interest is 6.5% per annum to be reviewed semi annually.

Certain covenants as per terms of some banks as per the term agreement were not met at the reporting date and loan balances have continued to be classified consistently from the last year as the lenders have assured that facilities will not be recalled.

## 21. Lease liabilities

|  | Parent                     |                          | Consolidated               |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|  | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) |
|  | RO                         | RO                       | RO                         | RO                       |
| Gross value of the lease liability against right-of-use assets | 3,626,520                  | 3,787,455                | 12,373,808                 | 12,373,808               |
| Future finance charges on finance leases                       | (1,115,706)                | (1,194,801)              | (5,634,596)                | (5,536,305)              |
| Present value of minimum lease payments                        | <u>2,510,814</u>           | <u>2,592,654</u>         | <u>6,739,212</u>           | <u>6,837,503</u>         |
| Maturity analysis of lease liabilities                         |                            |                          |                            |                          |
| Due within 1 year – current portion                            | 328,016                    | 162,727                  | 568,846                    | 403,556                  |
| Due after one year but within five years                       | 2,182,798                  | 2,429,927                | 3,271,329                  | 3,271,329                |
| Due after five years   | -                          | -                        | 2,899,037                  | 3,162,618                |
|  | <u>2,510,814</u>           | <u>2,592,654</u>         | <u>6,739,212</u>           | <u>6,837,503</u>         |

## 22. Income tax

The Company is subject to income tax at the rate of 15% of the taxable income in accordance with the Income Tax Law of the Sultanate of Oman (2023: 15%).

## 23. End of service benefits

|                             | Parent                     |                          | Consolidated               |                          |
|-----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                             | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) |
|                             | RO                         | RO                       | RO                         | RO                       |
| At 1 January                | 710,303                    | 532,595                  | 1,293,756                  | 1,112,866                |
| Charge for the period/year  | -                          | 193,767                  | 14,722                     | 272,436                  |
| Adjustments                 | -                          | 9,864                    | -                          | 9,864                    |
| Paid during the period/year | (1,658)                    | (25,923)                 | (34,147)                   | (101,410)                |
|                             | <u>708,645</u>             | <u>710,303</u>           | <u>1,274,331</u>           | <u>1,293,756</u>         |

## 24. Trade and other payables

|                                     | Parent                     |                          | Consolidated               |                          |
|-------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                                     | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) |
|                                     | RO                         | RO                       | RO                         | RO                       |
| Trade payables                      | 26,300,161                 | 26,845,141               | 32,057,010                 | 33,936,411               |
| Due to related parties [note 39(c)] | 4,953,164                  | 5,300,959                | -                          | -                        |
| Accrued expenses                    | 6,734,833                  | 5,624,744                | 7,290,734                  | 8,579,989                |
| Customer advances                   | 642,592                    | 660,097                  | 714,886                    | 684,870                  |
| Accrued interest                    | 1,094,600                  | 1,440,552                | 1,191,568                  | 1,535,000                |
| Other payables                      | 145,877                    | 369,694                  | 215,140                    | 508,960                  |
|                                     | <u>39,871,227</u>          | <u>40,241,187</u>        | <u>41,469,338</u>          | <u>45,245,230</u>        |

## 24.1 Other liabilities

|  | Parent                     |                          | Consolidated               |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|  | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) | 31-Mar-2024<br>(unaudited) | 31-Dec-2023<br>(audited) |
|  | RO                         | RO                       | RO                         | RO                       |
| Due after one year but within five years | 12,996,768                 | 12,996,768               | 12,996,768                 | 12,996,768               |
| Due within 1 year – current portion      | 12,322,158                 | 12,322,158               | 12,322,158                 | 12,322,158               |
|  | <u>25,318,926</u>          | <u>25,318,926</u>        | <u>25,318,926</u>          | <u>25,318,926</u>        |

## Raysut Cement Company SAOG and its Subsidiaries

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### 25. Short term borrowings

|                 | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-----------------|--------------------|--------------------|---------------------|--------------------|
|                 | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                 | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                 | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Short term loan | 5,299,222          | 5,288,041          | 7,493,662           | 7,739,397          |
| Overdrafts      | 565,920            | 856,713            | 565,920             | 856,713            |
|                 | <u>5,865,142</u>   | <u>6,144,754</u>   | <u>8,059,582</u>    | <u>8,596,110</u>   |

#### Parent Company

Short term loans are obtained from commercial banks carrying interest rates of 6% to 6.5% (2023: 6% to 6.5%) per annum for a period of 180 days and overdrafts are obtained from commercial banks at interest rates ranging from 5.5% to 6.5% (2023: 5.5% to 6.5%) per annum. The loan is secured by the pledge of following securities:

- 1) Shares of Bank Dhofar SAOG and Dhofar Insurance SAOG 15,391,143 and 555,555 respectively (note 12).
- 2) Pari-Passu charge on commercial mortgage over the assets of the borrower.
- 3) Assignment of all insurance of all fixed assets (pari-passu with other lenders).

#### Subsidiary Company

Short term loan is obtained from commercial banks carrying an interest rate of 6% (2023: 6%) per annum for a period of 180 days.

### 26. Revenue

|              | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--------------|--------------------|--------------------|---------------------|--------------------|
|              | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|              | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|              | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Local sales  | 3,902,552          | 4,260,276          | 11,730,581          | 10,029,394         |
| Export sales | 6,010,889          | 7,336,939          | 5,723,389           | 7,969,308          |
|              | <u>9,913,441</u>   | <u>11,597,215</u>  | <u>17,453,970</u>   | <u>17,998,702</u>  |

### 27. Cost of sales

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|  | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Raw materials consumed                       | 435,484            | 929,686            | 2,756,585           | 2,524,355          |
| Packing materials                            | 372,341            | 591,903            | 606,916             | 686,897            |
| Spares and consumables                       | 368,581            | 602,327            | 797,588             | 737,887            |
| Fuel, gas and electricity                    | 2,768,920          | 3,416,898          | 4,642,589           | 6,792,479          |
| Staff costs [note 29]                        | 1,122,603          | 1,176,031          | 1,489,813           | 1,532,974          |
| Depreciation                                 | 964,451            | 1,009,117          | 1,509,054           | 1,525,862          |
| Depreciation on right-of-use assets          | 45,222             | 45,223             | 82,001              | 82,138             |
| Other factory overheads                      | 555,634            | 479,507            | 855,386             | 629,452            |
| Purchased cement                             | -                  | -                  | 71,759              | 387,442            |
| Provision for slow moving spares             | 30,000             | 30,000             | 37,890              | 37,890             |
| Movement in finished and semi-finished goods | 2,006,707          | (69,762)           | 3,482,348           | (580,903)          |
|  | <u>8,669,943</u>   | <u>8,210,930</u>   | <u>16,331,929</u>   | <u>14,356,473</u>  |

### 28. General and administrative expenses

|   | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|---|--------------------|--------------------|---------------------|--------------------|
|   | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|   | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|   | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Staff costs [note 29]                         | 611,956            | 538,222            | 912,694             | 735,775            |
| Donations                                     | -                  | 7,000              | -                   | 7,000              |
| Directors' fees and remuneration [note 39(f)] | 2,243              | 33,000             | 2,243               | 35,248             |
| Recruitment, training and seminars            | 3,360              | 1,860              | 3,360               | 1,860              |
| Advertisement and business promotion          | 425                | 400                | 425                 | 400                |
| Travelling expenses                           | 15,796             | 38,604             | 19,841              | 45,473             |
| Communication expenses                        | 625                | 10,353             | 13,856              | 19,552             |
| Rent and utilities expenses                   | 8,957              | 15,200             | 29,724              | 32,120             |
| Depreciation                                  | 49,141             | 51,336             | 72,589              | 79,234             |
| Depreciation of right-of-use assets           | -                  | -                  | 17,439              | 17,439             |
| Professional fees                             | 66,343             | 251,073            | 62,412              | 253,366            |
| Legal expenses                                | 58,484             | 82,854             | 126,062             | 173,081            |
| Bank charges                                  | 2,110              | 31,378             | 9,227               | 61,364             |
| Miscellaneous expenses                        | 19,049             | 36,545             | 33,542              | 72,445             |
|   | <u>838,489</u>     | <u>1,097,825</u>   | <u>1,303,414</u>    | <u>1,534,357</u>   |

## Raysut Cement Company SAOG and its Subsidiaries

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### 29. Staff costs

|                                   | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-----------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                   | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|                                   | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|                                   | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Wages and salaries                | 1,441,648          | 1,502,616          | 1,829,818           | 1,615,479          |
| Other benefits                    | 197,797            | 117,427            | 455,188             | 542,869            |
| Social security expense           | 95,114             | 94,210             | 102,779             | 94,210             |
| End of service benefits [note 23] | -                  | -                  | 14,722              | 16,191             |
|                                   | <u>1,734,559</u>   | <u>1,714,253</u>   | <u>2,402,507</u>    | <u>2,268,749</u>   |

Staff costs are allocated as follows:

|   | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|---|--------------------|--------------------|---------------------|--------------------|
|   | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|   | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|   | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Cost of sales [note 27]                       | 1,122,603          | 1,176,031          | 1,489,813           | 1,532,974          |
| General and administrative expenses [note 28] | 611,956            | 538,222            | 912,694             | 735,775            |
|   | <u>1,734,559</u>   | <u>1,714,253</u>   | <u>2,402,507</u>    | <u>2,268,749</u>   |

### 30. Selling and distribution expenses

|                                     | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-------------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                     | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|                                     | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|                                     | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Export expenses                     | 511,458            | 598,216            | 511,458             | 598,216            |
| Shipping/terminal expenses          | 109,375            | 109,375            | 109,375             | 109,375            |
| Transport charges                   | 442,249            | 439,135            | 591,820             | 748,259            |
| Depreciation on right-of-use assets | 10,878             | 10,878             | 10,878              | 10,878             |
| Others                              | -                  | -                  | 32,691              | 22,735             |
|                                     | <u>1,073,960</u>   | <u>1,157,604</u>   | <u>1,256,222</u>    | <u>1,489,463</u>   |

### 31. Other income

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|  | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Reversal of allowance for expected credit losses | -                  | 198,495            | 204,787             | 198,495            |
| Other miscellaneous income                       | 1,034              | 4,607              | 3,315               | 28,280             |
|  | <u>1,034</u>       | <u>203,102</u>     | <u>208,102</u>      | <u>226,775</u>     |

### 32. Finance cost - net

|                                   | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-----------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                   | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|                                   | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|                                   | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Interest expense on borrowings    | 995,403            | 968,467            | 1,346,951           | 1,065,607          |
| Interest on overdrafts and others | 50,000             | 56,533             | 50,000              | 286,533            |
| Interest on lease liabilities     | 41,160             | 45,383             | 117,447             | 83,125             |
| Net exchange (gain) / loss        | (1,937)            | 80                 | 1,348               | 205                |
|                                   | <u>1,084,626</u>   | <u>1,070,463</u>   | <u>1,515,746</u>    | <u>1,435,470</u>   |

### 33. Investment income

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|  | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Dividend income on financial assets at FVTPL | 143,321            | 96,014             | 143,321             | 96,014             |

### 34. Net assets per share

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

|                              | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|------------------------------|--------------------|--------------------|---------------------|--------------------|
|                              | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                              | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
| Net assets (RO)              | 1,797,343          | 3,413,231          | 8,484,879           | 11,099,365         |
| Number of shares outstanding | 200,000,000        | 200,000,000        | 200,000,000         | 200,000,000        |
| Net asset per share (RO)     | <u>0.009</u>       | <u>0.017</u>       | <u>0.042</u>        | <u>0.055</u>       |

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### 35. Basic and diluted loss per share

|                                   | <u>Parent</u>                            |  | <u>Consolidated</u>                      |  |
|-----------------------------------|--|--|--|--|
|                                   | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Mar-2023</u><br><u>(unaudited)</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Mar-2023</u><br><u>(unaudited)</u> |
| Net loss for the period (RO)      | (1,615,888)                              | 10,158                                   | (2,614,486)                              | (876,579)                                |
| Weighted average number of shares | 200,000,000                              | 200,000,000                              | 200,000,000                              | 200,000,000                              |
| Basic and diluted loss per share  | <u>(0.008)</u>                           | <u>0.000</u>                             | <u>(0.013)</u>                           | <u>(0.004)</u>                           |

### 36. Commitments

|                             | <u>Parent</u>                            |  | <u>Consolidated</u>                      |  |
|-----------------------------|--|--|--|--|
|                             | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> |
|                             | <u>RO</u>                                | <u>RO</u>                              | <u>RO</u>                                | <u>RO</u>                              |
| <b>Capital commitments</b>  |  |  |  |  |
| Civil and structural        | 393,502                                  | 393,502                                | 393,502                                  | 393,502                                |
| Plant and machinery         | 38,000                                   | 38,000                                 | 38,000                                   | 38,000                                 |
| Others                      | 18,580                                   | 18,580                                 | 18,580                                   | 18,580                                 |
|                             | <u>450,082</u>                           | <u>450,082</u>                         | <u>450,082</u>                           | <u>450,082</u>                         |
| <b>Purchase commitments</b> | <u>3,966,515</u>                         | <u>3,966,515</u>                       | <u>7,076,715</u>                         | <u>7,076,715</u>                       |

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

### 37. Contingent liabilities

|                                | <u>Parent</u>                            |  | <u>Consolidated</u>                      |  |
|--------------------------------|--|--|--|--|
|                                | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> |
|                                | <u>RO</u>                                | <u>RO</u>                              | <u>RO</u>                                | <u>RO</u>                              |
| Letters of credit              | 27,704                                   | 27,704                                 | 27,704                                   | 27,704                                 |
| Guarantee and performance bond | 490,000                                  | 490,000                                | 533,658                                  | 533,658                                |
| Relating to litigations        | 3,925,918                                | 500,000                                | 4,053,711                                | 627,793                                |
|                                | <u>4,443,622</u>                         | <u>1,017,704</u>                       | <u>4,615,073</u>                         | <u>1,189,155</u>                       |

### 38. Cash and cash equivalents

|   | <u>Parent</u>                            |  | <u>Consolidated</u>                      |  |
|---|--|--|--|--|
|   | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> |
|   | <u>RO</u>                                | <u>RO</u>                              | <u>RO</u>                                | <u>RO</u>                              |
| Cash in hand                                  | 9,771                                    | 8,883                                  | 25,312                                   | 34,499                                 |
| <b>Cash at bank :</b>                         |  |  |  |  |
| Current accounts                              | 715,082                                  | 398,362                                | 1,663,918                                | 1,648,962                              |
| Call deposits                                 | 127,197                                  | 4,482                                  | 127,197                                  | 4,482                                  |
| <b>Total cash and bank balances [note 14]</b> | <u>852,050</u>                           | <u>411,727</u>                         | <u>1,816,427</u>                         | <u>1,687,943</u>                       |
| Bank overdrafts [note 25]                     | (565,920)                                | (856,713)                              | (565,920)                                | (856,713)                              |
| <b>Cash and cash equivalents</b>              | <u>286,130</u>                           | <u>(444,986)</u>                       | <u>1,250,507</u>                         | <u>831,230</u>                         |

### 39. Related party transactions and balances

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

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

#### 39 (a) Due from related parties (trading receivables):

|  | <u>Parent</u>                            |  | <u>Consolidated</u>                      |  |
|--|--|--|--|--|
|  | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> | <u>31-Mar-2024</u><br><u>(unaudited)</u> | <u>31-Dec-2023</u><br><u>(audited)</u> |
|  | <u>RO</u>                                | <u>RO</u>                              | <u>RO</u>                                | <u>RO</u>                              |
| <b>Associate Company:</b>                                    |  |  |  |  |
| Mukalla Raysut for Manufacturing and Trading Company Limited | 1,004,102                                | 1,240,153                              | 1,004,102                                | 1,240,153                              |
| Less: Allowance for impairment                               | (11,703)                                 | (14,454)                               | (11,703)                                 | (14,454)                               |
| <b>Related parties:</b>                                      |  |  |  |  |
| Raysut Maldives  | 148,719                                  | 22,229                                 | -  | -                                      |
| Less: Allowance for impairment                               | (22,229)                                 | (22,229)                               | -  | -                                      |
| Raysut Madagascar  | 1,724,998                                | 1,724,998                              | -  | -                                      |
| Less: Allowance for impairment                               | (1,724,998)                              | (1,724,998)                            | -  | -                                      |
| RCC Trading DMCC   | 10,580,115                               | 10,580,115                             | 10,580,115                               | 10,580,115                             |
| Less: Allowance for impairment                               | (10,580,115)                             | (10,580,115)                           | (10,580,115)                             | (10,580,115)                           |
|  | <u>1,118,889</u>                         | <u>1,225,699</u>                       | <u>992,399</u>                           | <u>1,225,699</u>                       |

# Raysut Cement Company SAOG and its Subsidiaries

Notes to the condensed interim separate and consolidated financial information  
for the three months period ended 31 March 2024

## 39. Related party transactions and balances (continued)

### 39 (b) Due from related parties (other receivables):

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| <b>Related parties:</b>                                      |                    |                    |                     |                    |
| Raysea Navigation S.A  | 2,322,719          | 2,322,719          | 2,322,719           | 2,322,719          |
| Less: Allowance for impairment                               | (2,322,719)        | (2,322,719)        | (2,322,719)         | (2,322,719)        |
| Sohar Cement Factory SPC                                     | 472,314            | 470,964            | -                   | -                  |
| Less: Allowance for impairment                               | (5,505)            | (5,489)            | -                   | -                  |
| RCC Trading DMCC   | 10,475,564         | 10,475,564         | 10,475,564          | 10,475,564         |
| Less: Allowance for impairment                               | (10,475,564)       | (10,475,564)       | (10,475,564)        | (10,475,564)       |
| RCC Holding Company  | 78,208             | 78,208             | 78,208              | 78,208             |
| Less: Allowance for impairment                               | (78,208)           | (78,208)           | (78,208)            | (78,208)           |
| RCC MSG Somaliland   | 32,963             | 32,963             | 32,963              | 32,963             |
| Less: Allowance for impairment                               | (32,963)           | (32,963)           | (32,963)            | (32,963)           |
| Duqm Cement Factory LLC                                      | 6,623,964          | 6,387,888          | -                   | -                  |
| Less: Allowance for impairment                               | (5,415,227)        | (5,412,475)        | -                   | -                  |
| <b>Associate Company:</b>                                    |                    |                    |                     |                    |
| Mukalla Raysut for Manufacturing and Trading Company Limited | 2,895,178          | 2,895,178          | 2,895,178           | 2,895,178          |
| Less: Allowance for impairment                               | (2,895,178)        | (2,895,178)        | (2,895,178)         | (2,895,178)        |
|  | <u>1,675,546</u>   | <u>1,440,888</u>   | <u>-</u>            | <u>-</u>           |

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

### 39 (c) Due to related parties:

|                               | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|-------------------------------|--------------------|--------------------|---------------------|--------------------|
|                               | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|                               | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|                               | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| <b>Subsidiary Companies:</b>  |                    |                    |                     |                    |
| Pioneer Cement Industries     | 4,809,973          | 5,156,768          | -                   | -                  |
| Raysut Burwaqa Cement Co. LLC | 143,191            | 144,191            | -                   | -                  |
|                               | <u>4,953,164</u>   | <u>5,300,959</u>   | <u>-</u>            | <u>-</u>           |

Amounts due from/due to related parties are unsecured, interest free and have no fixed repayment terms.

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

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|  | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| <b>Sale of goods and services:</b>                           |                    |                    |                     |                    |
| <b>Subsidiary Companies:</b>                                 |                    |                    |                     |                    |
| Raysut Maldives Cement (Pvt) Ltd                             | 287,500            | 352,263            | -                   | -                  |
| <b>Associate Company:</b>                                    |                    |                    |                     |                    |
| Mukalla Raysut for Manufacturing and Trading Company Limited | 1,376,863          | 1,400,664          | 1,376,863           | 1,400,664          |
| <b>Entities related to directors:</b>                        |                    |                    |                     |                    |
| Galfar Engineering and Contracting S.A.O.G                   | 2,660              | -                  | 2,660               | -                  |
| Galfar Aspire Readymix LLC                                   | 12,431             | -                  | 12,431              | -                  |
| <b>Purchase of goods and services:</b>                       |                    |                    |                     |                    |
| Dhofar Insurance Company S.A.O.G                             | -                  | 159,974            | -                   | 189,422            |

### 39 (e) Due from and due to entities related to directors:

|  | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | <u>31-Mar-2024</u> | <u>31-Dec-2023</u> | <u>31-Mar-2024</u>  | <u>31-Dec-2023</u> |
|  | <u>(unaudited)</u> | <u>(audited)</u>   | <u>(unaudited)</u>  | <u>(audited)</u>   |
|  | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| <b>Due from entities related to directors:</b> |                    |                    |                     |                    |
| Galfar Engineering and Contracting S.A.O.G     | 54,843             | 52,075             | 54,843              | 52,075             |
| Galfar Aspire Readymix LLC                     | 98,554             | 143,047            | 98,554              | 143,047            |
|  | <u>153,397</u>     | <u>195,122</u>     | <u>153,397</u>      | <u>195,122</u>     |
| <b>Due to entities related to directors:</b>   |                    |                    |                     |                    |
| Dhofar Insurance Company S.A.O.G               | 994,473            | 1,216,176          | 994,473             | 1,216,176          |
|  | <u>994,473</u>     | <u>1,216,176</u>   | <u>994,473</u>      | <u>1,216,176</u>   |

### 39 (f) Key management compensation:

|   | <u>Parent</u>      |                    | <u>Consolidated</u> |                    |
|---|--------------------|--------------------|---------------------|--------------------|
|   | <u>31-Mar-2024</u> | <u>31-Mar-2023</u> | <u>31-Mar-2024</u>  | <u>31-Mar-2023</u> |
|   | <u>(unaudited)</u> | <u>(unaudited)</u> | <u>(unaudited)</u>  | <u>(unaudited)</u> |
|   | <u>RO</u>          | <u>RO</u>          | <u>RO</u>           | <u>RO</u>          |
| Board sitting fees [note 28]  | 2,243              | 33,000             | 2,243               | 33,000             |
| Directors' remuneration [note 28]                                     | -                  | -                  | -                   | 2,248              |
| Salaries, allowances and performance bonus paid to Executive officers | 115,968            | 74,951             | 115,968             | 74,951             |
| End of service benefits   | -                  | 1,012              | -                   | 1,012              |

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