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 SIX MONTHS PERIOD ENDED
30 JUNE 2026

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 SIX MONTHS PERIOD ENDED 30 JUNE 2026

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RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

		Parent Company				Consolidated			
		Six months period ended		Quarter ended		Six months period ended		Quarter ended	
	Note	**30-Jun-2026**	30-Jun-2025	**30-Jun-2026**	30-Jun-2025	**30-Jun-2026**	30-Jun-2025	**30-Jun-2026**	30-Jun-2025
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
		﷼	﷼	﷼	﷼	﷼	﷼	﷼	﷼
Revenue from contracts with customers	3	**22,792,771**	21,639,696	**10,912,091**	11,323,362	**50,583,898**	41,404,033	**25,859,764**	21,651,492
Cost of sales	4	**(18,263,364)**	(18,872,045)	**(8,516,031)**	(9,518,812)	**(41,729,820)**	(36,364,083)	**(21,479,326)**	(18,642,369)
Gross profit		**4,529,407**	2,767,651	**2,396,060**	1,804,550	**8,854,078**	5,039,950	**4,380,438**	3,009,123
General and administrative expenses	5	**(2,074,554)**	(1,859,259)	**(1,052,294)**	(925,566)	**(3,152,515)**	(2,800,108)	**(1,648,937)**	(1,358,813)
Selling and distribution expenses	7	**(2,177,240)**	(2,190,382)	**(945,811)**	(1,174,839)	**(2,416,232)**	(2,464,177)	**(1,059,879)**	(1,315,630)
Net impairment loss on financial assets		**-**	(3,157)	**-**	(3,157)	**8,975**	14,330	**10,520**	29,330
Other income	8	**135,538**	331	**135,303**	818	**158,287**	70,457	**141,750**	21,196
Operating profit / (loss)		**413,151**	(1,284,816)	**533,258**	(298,194)	**3,452,593**	(139,548)	**1,823,892**	385,206
Finance cost - net	9	**(1,401,958)**	(1,565,155)	**(643,888)**	(740,059)	**(1,997,481)**	(2,382,112)	**(925,714)**	(1,154,267)
Investment income	10	**328,879**	158,348	**186,321**	-	**328,879**	158,348	**186,321**	-
Gain on disposal of financial assets at FVTPL		**218,600**	-	**218,600**	-	**218,600**	-	**218,600**	-
Fair value gain / (loss) on financial assets at FVTPL		**932,101**	(483,299)	**55,729**	(262,330)	**932,101**	(483,299)	**55,729**	(262,330)
Profit / (loss) before tax		**490,773**	(3,174,922)	**350,020**	(1,300,583)	**2,934,692**	(2,846,611)	**1,358,828**	(1,031,391)
Income tax expense		**-**	-	**-**	-	**(221,193)**	(1,304)	**(98,291)**	(8,817)
Profit / (loss) after tax		**490,773**	(3,174,922)	**350,020**	(1,300,583)	**2,713,499**	(2,847,915)	**1,260,537**	(1,040,208)
Loss for the period attributable to:									
Equity shareholders of the Parent Company		**490,773**	(3,174,922)	**350,020**	(1,300,583)	**2,676,957**	(2,876,536)	**1,244,362**	(1,053,155)
Non-controlling interest		**-**	-	**-**	-	**36,542**	28,621	**16,175**	12,947
		490,773	(3,174,922)	**350,020**	(1,300,583)	**2,713,499**	(2,847,915)	**1,260,537**	(1,040,208)
Basic and diluted earning / (loss) per share	18	**0.002**	(0.016)	**0.002**	(0.007)	**0.013**	(0.014)	**0.006**	(0.005)
Other comprehensive loss									
Items that will not be reclassified to profit or loss									
Deferred tax impact on revaluation of property plant and equipment		**-**	-	**-**	-	**(1,233)**	-	**-**	-
		-	-	**-**	-	**(1,233)**	-	**-**	-
Total comprehensive income / (loss) for the period		**490,773**	(3,174,922)	**350,020**	(1,300,583)	**2,712,266**	(2,847,915)	**1,260,537**	(1,040,208)
Total comprehensive income attributable to:									
Equity shareholders of the Parent Company		**490,773**	(3,174,922)	**350,020**	(1,300,583)	**2,675,724**	(2,876,536)	**1,244,362**	(1,053,155)
Non-controlling interest		**-**	-	**-**	-	**36,542**	28,621	**16,175**	12,947
		490,773	(3,174,922)	**350,020**	(1,300,583)	**2,712,266**	(2,847,915)	**1,260,537**	(1,040,208)

The notes 1 to 21 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Parent company		Consolidated	
		30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)
		⃁	⃁	⃁	⃁
ASSETS					
Non-current assets					
Goodwill	13.3	**-**	-	**3,188,812**	3,188,812
Property, plant and equipment	13.1	**61,827,526**	63,741,249	**97,634,812**	100,753,668
Right-of-use assets	13.4	**1,763,209**	1,875,407	**5,017,603**	5,246,242
Investment in subsidiaries	13.6	**29,626,880**	29,626,880	**-**	-
Deferred tax assets		**-**	-	**93,527**	99,362
Total non-current assets		**93,217,615**	95,243,536	**105,934,754**	109,288,084
Current assets					
Inventories	13.7	**10,900,931**	10,735,146	**17,513,328**	15,958,757
Trade receivables	12.1	**3,745,423**	3,317,767	**5,143,616**	6,591,578
Financial assets at fair value through profit or loss	12.4	**879,916**	3,008,221	**879,916**	3,008,221
Prepayments, advances and other receivables	13.8	**1,821,330**	1,927,071	**5,028,411**	1,625,664
Income tax receivables		**-**	-	**-**	6,059
Cash and cash equivalents	12.2	**970,641**	1,125,202	**5,867,825**	3,810,901
Total current assets		**18,318,241**	20,113,407	**34,433,096**	31,001,180
Total assets		**111,535,856**	115,356,943	**140,367,850**	140,289,264
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	**20,000,000**	20,000,000	**20,000,000**	20,000,000
Share premium	15	**13,456,873**	13,456,873	**13,456,873**	13,456,873
Legal reserve	16	**6,666,667**	6,666,667	**6,666,667**	6,666,667
Revaluation surplus		**13,358,603**	13,358,603	**18,973,302**	18,974,535
Accumulated losses		**(68,798,022)**	(69,288,795)	**(63,736,203)**	(66,413,160)
Equity attributable to the equity holders of the Parent Company		**(15,315,879)**	(15,806,652)	**(4,639,361)**	(7,315,085)
Non-controlling interest		**-**	-	**947,996**	911,454
Total equity		**(15,315,879)**	(15,806,652)	**(3,691,365)**	(6,403,631)
LIABILITIES					
Non-current liabilities					
Term loans	12.6	**13,763,063**	16,944,062	**25,619,025**	28,185,890
Loan from a subsidiary	21(d)	**5,671,620**	4,284,527	**-**	-
Lease liabilities	12.9	**1,898,319**	2,064,676	**5,616,042**	5,815,976
Deferred tax liabilities		**3,870,401**	3,870,401	**4,278,555**	4,543,186
Provision for employees' end of service benefits	13.9	**677,717**	683,374	**1,203,776**	1,222,660
Total non-current liabilities		**25,881,120**	27,847,040	**36,717,398**	39,767,712
Current liabilities					
Term loans	12.6	**7,403,293**	7,966,759	**8,430,020**	10,504,858
Loan from a subsidiary	21(d)	**662,822**	2,049,915	**-**	-
Lease liabilities	12.9	**189,568**	189,568	**448,566**	465,997
Trade and other payables	12.5	**31,240,391**	31,048,895	**35,100,268**	32,348,303
Trade payable - gas supplier	12.8	**57,089,743**	55,069,727	**57,089,743**	55,069,727
Short term borrowings	12.7	**4,384,798**	6,991,691	**5,908,614**	8,536,298
Income tax payable		**-**	-	**364,606**	-
Total current liabilities		**100,970,615**	103,316,555	**107,341,817**	106,925,183
Total liabilities		**126,851,735**	131,163,595	**144,059,215**	146,692,895
Total equity and liabilities		**111,535,856**	115,356,943	**140,367,850**	140,289,264
Net assets per share	17	**(0.077)**	(0.079)	**(0.023)**	(0)

These financial informations along with notes 1 to 21 and other explanatory information were approved by the Board of Directors on 11th August 2026 and signed on their behalf by:

Engr Abdullah Al Zadjali	**Raashid Ali**	**Salim Abdul Kader**
Chairman of the Board of Directors	**Chief Financial Officer**	**Chief Executive Officer**

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

Parent Company	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Accumulated losses	Total
		⃁	⃁	⃁	⃁	⃁	⃁
At 1 January 2025		20,000,000	13,456,873	6,666,667	13,358,603	(51,816,286)	1,665,857
Comprehensive income:							
Loss for the year		-	-	-	-	(17,472,509)	(17,472,509)
Loss and total comprehensive income for the year		-	-	-	-	(17,472,509)	(17,472,509)
At 31 December 2025 - audited		20,000,000	13,456,873	6,666,667	13,358,603	(69,288,795)	(15,806,652)
At 1 January 2026		**20,000,000**	**13,456,873**	**6,666,667**	**13,358,603**	**(69,288,795)**	**(15,806,652)**
Comprehensive income:							
Profit and total comprehensive income for the period		**-**	**-**	**-**	**-**	**490,773**	**490,773**
At 30 June 2026 - unaudited		**20,000,000**	**13,456,873**	**6,666,667**	**13,358,603**	**(68,798,022)**	**(15,315,879)**

The notes 1 to 21 and other explanatory information form an integral part of these Parent Company’s and consolidated financial statements.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (continued)

		Attributable to equity shareholders of the Parent Company							
Consolidated	**Note**	**Share capital**	**Share premium**	**Legal reserve**	**Revaluation reserve**	**Accumulated losses**	**Total attributable to equity shareholders**	**Non-Controlling interest**	**Total**
		﷼	﷼	﷼	﷼	﷼	﷼	﷼	﷼
At 1 January 2025		20,000,000	13,456,873	6,666,667	18,987,006	(50,437,695)	8,672,851	821,067	9,493,918
Comprehensive income:									
Loss for the year		-	-	-	-	(15,975,465)	(15,975,465)	90,387	(15,885,078)
Other comprehensive income:									
Revaluation surplus (net of tax)		-	-	-	(12,471)	-	(12,471)	-	(12,471)
Loss and total comprehensive income for the year		-	-	-	(12,471)	(15,975,465)	(15,987,936)	90,387	(15,897,549)
At 31 December 2025 - audited		20,000,000	13,456,873	6,666,667	18,974,535	(66,413,160)	(7,315,085)	911,454	(6,403,631)
At 1 January 2026		**20,000,000**	**13,456,873**	**6,666,667**	**18,974,535**	**(66,413,160)**	**(7,315,085)**	**911,454**	**(6,403,631)**
Comprehensive income:									
Profit for the period		**-**	**-**	**-**	**-**	**2,676,957**	**2,676,957**	**36,542**	**2,713,499**
Other comprehensive income:									
Revaluation surplus (net of tax)		**-**	**-**	**-**	**(1,233)**	**-**	**(1,233)**	**-**	**(1,233)**
Loss and total comprehensive income for the period		**-**	**-**	**-**	**(1,233)**	**2,676,957**	**2,675,724**	**36,542**	**2,712,266**
At 30 June 2026 - unaudited		**20,000,000**	**13,456,873**	**6,666,667**	**18,973,302**	**(63,736,203)**	**(4,639,361)**	**947,996**	**(3,691,365)**

The notes 1 to 21 and other explanatory information form an integral part of these Parent Company’s and consolidated financial statements.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

		Parent Company		Consolidated	
	Note	**30-Jun-26 (unaudited)**	30-Jun-25 (unaudited)	**30-Jun-26 (unaudited)**	30-Jun-25 (unaudited)
		﷼	﷼	﷼	﷼
Cash flows from operating activities					
Profit / loss before taxation		**490,773**	(3,174,922)	**2,934,692**	(2,846,611)
Adjustments for:					
Depreciation of property, plant and equipment	13.1	**2,265,071**	2,081,814	**3,597,291**	3,085,972
Depreciation of right-of-use assets	13.4	**112,201**	112,201	**228,639**	220,834
Net impairment loss on financial assets		**-**	3,157	**(8,975)**	(14,330)
Allowance for slow-moving inventories	13.7	**60,000**	60,000	**(164,916)**	75,780
Interest expense	9	**1,334,370**	1,492,297	**1,781,387**	2,160,454
Interest expense on lease liabilities	13.4	**71,573**	77,150	**217,005**	226,584
Investment income	10	**(328,879)**	(122,678)	**(328,879)**	(122,678)
Stock dividend income	10	**-**	(35,670)	**-**	(35,670)
Gain on disposal of financial assets at fair value through profit or loss		**(218,600)**	-	**(218,600)**	-
(Increase) / Decrease in fair value of financial assets at fair value through profit or loss	12.4	**(932,101)**	483,299	**(932,101)**	483,299
End of service benefits charge for the period	13.9	**28,181**	-	**57,455**	26,722
Operating cash flows before payment of end of service benefits and working capital changes		**2,882,589**	976,648	**7,162,998**	3,260,356
End of service benefits paid		**(33,838)**	(8,284)	**(76,339)**	(26,325)
Working capital changes:					
Trade receivables		**(427,656)**	(149,505)	**1,524,280**	(490,516)
Prepayments and other receivables		**105,741**	(225,348)	**(3,373,893)**	(1,487,168)
Inventories		**(225,785)**	1,119,718	**(1,389,655)**	748,076
Trade and other payables		**2,314,015**	1,622,995	**4,881,395**	2,277,256
Cash generated from operations		**4,615,066**	3,336,224	**8,728,786**	4,281,679
Income tax paid	11	**-**	-	**(110,557)**	(212,742)
Net cash generated from operating activities		**4,615,066**	3,336,224	**8,618,229**	4,068,937
Cash flows from investing activities					
Dividend income	10	**328,879**	122,678	**328,879**	122,678
Receipt on disposal of financial assets at fair value through profit or loss		**3,266,956**	-	**3,266,956**	-
Net additions to property, plant and equipment	13.1	**(351,348)**	(330,681)	**(478,435)**	(334,753)
Net cash used in investing activities		**3,244,487**	(208,003)	**3,117,400**	(212,075)
Cash flows from financing activities					
Payments of long-term loans from commercial banks		**(3,744,465)**	(2,151,904)	**(4,641,703)**	(2,338,920)
Short-term bank borrowings - net		**(1,821,144)**	236,809	**(1,841,935)**	459,782
Lease payments		**(237,930)**	-	**(434,370)**	-
Interest and finance costs paid		**(1,424,826)**	(1,759,190)	**(1,895,262)**	(2,205,221)
Net cash used in financing activities		**(7,228,365)**	(3,674,285)	**(8,813,270)**	(4,084,359)
Net changes in cash and cash equivalents during the period		**631,188**	(546,064)	**2,922,359**	(227,497)
Cash and cash equivalents at the beginning of the period		**154,617**	(706,602)	**2,760,630**	515,000
Cash and cash equivalents at the end of the period	12.2 (b)	**785,805**	(1,252,666)	**5,682,989**	287,503

The notes 1 to 21 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

1. Legal status and principal activities

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

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

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

Subsidiary companies	Country of incorporation	Shareholding percentage %		Principal activities
		30-Jun-2026 %	31-Dec-2025 %	
Operational subsidiary companies				
Pioneer Cement Industries ('Pioneer')	United Arab Emirates	**100**	100	Production and sale of cement
Raysut Maldives Cement Private Limited	Republic of Maldives	**75**	75	Trading activity
Sohar Cement Factory SPC	Sultanate of Oman	**100**	100	Production and sale of cement
Non-operational subsidiary companies				
Pioneer Cement Industries Georgia Limited*	Georgia	**100**	100	Limestone quarry
Raysut Burwaqo Cement Company LLC ('RBCC')**	Sultanate of Oman	**51**	51	Wholesale of cement and plastic
Raysut Cement Trading Madagascar**	Madagascar	**100**	100	Trading activity
Duqm Cement Factory LLC	Sultanate of Oman	**100**	100	Production and sale of cement
Tharawat Energy and Mining SPC	Sultanate of Oman	**100**	-	Trading activity

Associate companies	Country of incorporation	Shareholding percentage %		Principal activities
		30-Jun-2026 %	31-Dec-2025 %	
Mukalla Raysut Trading and Industrial Company ('MRTIC')	Republic of Yemen	**49**	49	Importing, exporting, packing and marketing of cement products.

Branch of the Parent Company	Country of incorporation	Principal activities
Raysut Cement Company S.A.O.G (Branch)	United Arab Emirates	Limestone quarry

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

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

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

*** The Group has not recognized its share of profit/loss from the MRTIC in these financial statements

2. Summary of material accounting policies

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

2.1 Basis of preparation

(a) Compliance with IFRS

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

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

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

(b) Historical cost convention

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

(c) Going concern

The Group delivered a notably stronger operating performance during the six months period year ended 30 June 2026, achieving a 23% increase in sales revenue compared to six months 2025 and a significant reduction in operational losses . These results reflect the early impact of the Group's restructuring measures, improved plant utilization, and enhanced coordination across core facilities.

Despite these encouraging operational gains, the Group continues to face financial pressures, giving rise to material uncertainties about its ability to continue as a going concern.

As at 30 June 2026 (the end of the six-month period), the Group and Parent Company reported accumulated losses of 68.80 million and 63.74 million, respectively. The Parent Company's share capital has been fully eroded.

In accordance with Article 147 of the Commercial Companies Law of Oman, the Board convened an Extraordinary General Meeting (EGM) on 16 November 2025 to present to shareholders the reasons for the erosion of capital and the options available to restore the Company's equity position. Shareholders approved the agenda and authorised the Board to proceed with finalising a capital restoration strategy. The options evaluated include a rights issue or bridge financing, debt to equity conversion or convertible instruments, a direct capital injection, and potential strategic divestments. The Board was to conduct a detailed assessment of these options and report back to shareholders with a comprehensive study within the agreed 60-day period.

Following the completion of the 60-day time frame approved by the shareholders in th EGM held on 16 November 2025, the Directors determined that additional time was required to evaluate the options and finalise the capital restoration strategy. Accordingly, another EGM is scheduled for 8 March 2026 for the Director's to request an extension period of further 90 days, and present the current preferred capital raising instrument of a convertible shareholder loan, convertible at the option of the shareholders.

The financial conditions highlighted above, together with the matters described below, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

Despite the above challenges, the management and the Board of Directors remain confident in the Group's and Parent Company's ability to continue as a going concern based on the actions taken to improve the operational performance, the ongoing negotiations with key suppliers and lenders, and support from key shareholders. The management and the Directors therefore have a reasonable expectation that the Group and the Parent Company will have adequate resources to meet its financial obligations for a period of at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New and amended standards adopted by the Group

For the year ended 31 December 2025, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS IC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2025.
The Group has applied the following standards and amendments as of 1 January 2025:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenant- Amendments to IAS 1 (effective on or after 1 January 2024);
- Lease liability in sale and leaseback – Amendments to IFRS 16 (effective on or after 1 January 2024); and
- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective on or after 1 January 2024);

The amendments listed above did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(e) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2026 or later periods. The Group is currently assessing the impact of these standards, amendments or interpretations on the future period.

- Classification and measurement of Financial Instruments - Amendment of IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- Annual improvements to IFRS Accounting standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026);
- IFRS 18, Presentation and Disclosure in Financial Statements- IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. (effective for annual periods beginning on or after 1 January 2027); and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027).

(i) Subsidiaries

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

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

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

Investments in subsidiaries are accounted for in the separate financial statements using the historical cost method. The carrying amount of these investments is reviewed for impairment, with any loss recognized if the recoverable amount of an individual investment is lower than its carrying value. Investments are recorded using the cost method and are subject to impairment testing; an impairment loss is recognized if future cash flows from these investments are not expected to be sufficient to recover the carrying amount.

2. Summary of material accounting policies (continued)

2.2 Principles of consolidation

(ii) Associates

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

Equity method

Investments in associates are accounted in the separate financial statements by using the equity method. Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Parent Company's share of the profits or losses of the associate and other comprehensive income after acquisition.

The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Parent Company's share of losses exceeds its interest in the investment, the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Parent Company has an obligation to make further funding contributions to that associate.

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

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

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(iii) Group companies

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

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

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

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

2. Summary of material accounting policies (continued)

2.5 Revenue from contracts with customers

The Group generates revenue from the sale of cement. Where the revenue is recognised at the point in time.
The following are some of the key indicators used by the Group in determining when control has passed to the customer:

i.the Company has a right to payment for the product or service;
ii.the customer has legal title to the product;
iii.the Company has transferred physical possession of the product to the customer;
iv.the customer has the significant risks and rewards of ownership of the product; and
v.the customer has accepted the product.

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

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

Revenue is recognized net of discounts and returns. Revenue from the sales with discounts, if any, is recognized based on the price specified in the contract, net of the estimated volume discounts.
Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability, if any (included in trade and other payables) is recognized for expected volume discounts, if any, payable to customers in relation to sales made until the end of the reporting period.
No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognized when the cement is delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.6 Taxation

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

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

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are offset as there is a legally enforceable right to do so in Oman.

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

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

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

2. Summary of material accounting policies (continued)

2.7 Leases

(i) Identification of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the Group has the right to direct the use of the asset. The Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  -the Group has the right to operate the asset; or
  -the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts which are or contain lease, on or after 1 January 2019.

(ii) Identification of a lease as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (continued)

2.7 Leases (continued)

(ii) Identification of a lease as a lessee (continued)

Short-term leases and leases of low-value assets

At the time of initial recognition, the Group shall elect to not recognise right-of-use assets and liabilities for leases where,

- the total lease term is less than or equal to 12 months i.e. short-term leases;
- value of the underlying asset is considered as a low value lease.

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

2.8 Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of:

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

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

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

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

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

2.9 Impairment of non- financial assets

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

2.10 Cash and cash equivalents

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

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less Expected Credit Loss (ECL) allowance. See note 16.1 for further information about the Group's accounting for trade receivables and note 4.1(b) for a description of the Group's impairment policies.

2. Summary of material accounting policies (continued)

2.12 Inventories

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

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

2.13 Financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

Debt instruments

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

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

Equity instruments

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

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

Dividend income

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

(iv) Impairment

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

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4(b) for further details.

2. Summary of material accounting policies (continued)

2.14 Property, plant and equipment

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

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

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

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

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

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

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

Effective 1 January 2026, the company re-estimated the useful lives of certain assets categories of property, plant and equipment based on an independent expert's best estimate.

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

	2026 Useful life (Years)	**2025 Useful life (Years)**
Buildings and civil works	6 - 60	5 - 35
Plant and machinery	3 - 62	32
Motor vehicles	5	5
Furniture and fixtures	5	5
Office equipment	5	5
Factory vehicles, equipment and tools	5 - 20	3 - 5

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

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

Capital work-in-progress

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

2. Summary of material accounting policies (continued)

2.15 Exploration and evaluation assets

Recognition

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

Classification and measurement

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

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

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

The tangible assets are subsequently classified as property, plant and equipment and carried at cost less depreciation.
The intangible assets are subsequently carried at cost and amortised to their residual value over their economic useful life.

Impairment

As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.
Under the full cost method of accounting for exploration and evaluation costs, such costs are capitalised as intangible assets and are assessed for impairment on a concession basis based on the IFRS 6, “Exploration for and Evaluation of Mineral Resources”, impairment indicators.

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

2.16 Intangible assets

Goodwill

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

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

2.17 Financial liabilities

Classification and subsequent measurement

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

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

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

2.18 Trade and other payables

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

2. Summary of material accounting policies (continued)

2.19 Borrowings

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

2.20 Borrowing costs

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

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

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

2.21 Modification of financial liabilities

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

2.22 Provisions

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

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

2.23 End of service benefits and leave entitlements

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

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

2.24 Dividend distribution

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

Holders of ordinary shares in the subsidiary companies are entitled to receive dividends as and when declared in accordance with applicable local laws and regulations. Ordinary shareholders are entitled to one vote per share at meetings of the respective companies. Dividends are recognised as a liability when they are declared and approved by the appropriate governing body in accordance with the relevant statutory requirements.

2.25 Directors’ remuneration

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

2.26 Interest income and expense

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

2. Summary of material accounting policies (continued)

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(iii) Net asset per share

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

NOTES TO THE CONDENSED INTERIM PARENT COMPANY AND CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (continued)

3. Revenue from contracts with customers

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Local sales	**10,095,575**	8,772,707	**38,645,317**	29,046,582
Export sales	**12,697,196**	12,866,989	**11,938,581**	12,357,451
	22,792,771	21,639,696	**50,583,898**	41,404,033

4. Cost of sales

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Fuel, gas and electricity	**9,173,846**	8,273,236	**13,763,655**	15,135,911
Staff costs [note 6]	**2,775,520**	2,438,824	**3,567,869**	3,191,107
Depreciation [note 13.1]	**2,251,638**	2,054,311	**3,527,248**	3,016,922
Raw materials consumed	**1,885,980**	1,682,489	**10,237,123**	7,540,507
Other factory overheads	**912,923**	990,839	**2,440,842**	2,331,102
Packing materials	**551,916**	934,865	**915,008**	1,272,022
Spares and consumables	**686,268**	779,588	**1,023,025**	1,330,341
Depreciation on right-of-use assets [note 13.4]	**90,444**	90,444	**171,071**	164,197
Purchased clinker	**-**	-	**4,627,529**	-
Purchased cement	**-**	-	**995,154**	617,574
Provision for slow moving spares	**60,000**	60,000	**(164,916)**	75,780
Movement in finished and semi-finished goods	**(125,172)**	1,567,449	**626,211**	1,688,620
	18,263,364	18,872,045	**41,729,820**	36,364,083

5. General and administrative expenses

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Staff costs [note 6]	**1,116,396**	1,132,732	**1,684,104**	1,631,137
Professional fees	**295,426**	336,997	**349,499**	414,715
Directors' fees and remuneration [note 21(g)]	**72,700**	93,100	**78,995**	99,395
Travelling expenses	**37,782**	62,568	**53,666**	78,562
Legal expenses	**68,793**	59,296	**70,054**	60,096
Depreciation [note 13.1]	**13,433**	27,503	**70,041**	69,050
Communication expenses	**33,629**	35,041	**56,440**	59,526
Rent and utilities expenses	**337,738**	45,783	**393,459**	107,348
Bank charges	**26,314**	12,065	**95,323**	111,269
Recruitment, training and seminars	**1,249**	1,300	**2,658**	1,300
Advertisement and business promotion	**13,960**	2,355	**13,960**	6,190
Depreciation on right-of-use assets [note 13.4]	**-**	-	**35,811**	34,880
Miscellaneous expenses	**57,134**	50,519	**248,505**	126,640
	2,074,554	1,859,259	**3,152,515**	2,800,108

6. Staff costs

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Wages and salaries	**3,350,825**	3,200,751	**4,163,077**	4,179,602
Other benefits	**266,847**	153,939	**750,272**	365,974
Social security expense	**246,063**	216,866	**281,169**	249,946
End of service benefits [note 13.9]	**28,181**	-	**57,455**	26,722
	3,891,916	3,571,556	**5,251,973**	4,822,244

Staff costs are allocated as follows:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Cost of sales [note 4]	**2,775,520**	2,438,824	**3,567,869**	3,191,107
General and administrative expenses [note 5]	**1,116,396**	1,132,732	**1,684,104**	1,631,137
	3,891,916	3,571,556	**5,251,973**	4,822,244

7. Selling and distribution expenses

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	﷼	﷼	﷼	﷼
Export expenses	**1,063,954**	1,267,378	**1,063,954**	1,267,378
Transport charges	**872,779**	682,497	**1,090,912**	931,755
Shipping/terminal expenses	**218,750**	218,750	**218,750**	218,750
Depreciation on right-of-use assets [note 13.4]	**21,757**	21,757	**21,757**	21,757
Others	**-**	-	**20,859**	24,537
	2,177,240	2,190,382	**2,416,232**	2,464,177

8. Other income

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	﷼	﷼	﷼	﷼
Insurance claim	**134,990**	-	**134,990**	-
Other miscellaneous income	**548**	331	**23,297**	70,457
	135,538	331	**158,287**	70,457

9. Finance cost - net

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	﷼	﷼	﷼	﷼
Interest expense:				
Term loans	**867,740**	971,033	**1,558,801**	1,930,454
Loan from subsidiary [note 21 (d)]	**244,044**	291,264	**-**	-
Short term loans	**222,586**	230,000	**222,586**	230,000
Lease liabilities (note 13.4)	**71,573**	77,150	**217,005**	226,584
Foreign exchange gains – net	**(3,985)**	(4,292)	**(911)**	(4,926)
	1,401,958	1,565,155	**1,997,481**	2,382,112

10. Investment income

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	﷼	﷼	﷼	﷼
Dividend income on financial assets at FVTPL	**328,879**	122,678	**328,879**	122,678
Stock dividend	**-**	35,670	**-**	35,670
	328,879	158,348	**328,879**	158,348

11. Income tax

The tax charge for the year is as follows:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	﷼	﷼	﷼	﷼
Current tax				
- current year	**-**	-	**(215,357)**	-
- prior year	**-**	-	**-**	(1,304)
	-	-	**(215,357)**	(1,304)
Deferred tax				
- current year	**-**	-	**(7,069)**	-
	-	-	**(222,426)**	(1,304)

Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2025: 15%).

12. Financial assets and liabilities

This note provides information about the Parent Company and the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

		Parent Company		Consolidated	
		30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Financial assets	**Note**				
Financial assets at amortised cost					
Trade receivables	**12.1**	**3,745,423**	3,317,767	**5,143,616**	6,591,578
Cash and cash equivalents	**12.2**	**970,641**	1,125,202	**5,867,825**	3,810,901
		4,716,064	4,442,969	**11,011,441**	10,402,479
Financial assets at fair value (not designated)					
Financial assets at fair value through profit or loss	**12.4**	**879,916**	3,008,221	**879,916**	3,008,221
		5,595,980	7,451,190	**11,891,357**	13,410,700

		Parent Company		Consolidated	
		30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Financial liabilities	**Note**				
Liabilities at amortised cost					
Trade and other payables (excluding customer advances and VAT)	**12.5**	**30,413,386**	29,147,433	**33,243,230**	29,615,663
Term loans	**12.6**	**21,166,356**	24,910,821	**34,049,045**	38,690,748
Short term borrowings	**12.7**	**4,384,798**	6,991,691	**5,908,614**	8,536,298
Trade payable - gas supplier	**12.8**	**57,089,743**	55,069,727	**57,089,743**	55,069,727
Lease liabilities	**12.9**	**2,087,887**	2,254,244	**6,064,608**	6,281,973
Loan from a subsidiary	**21 c**	**6,334,442**	6,334,442	**-**	-
		121,476,612	124,708,358	**136,355,240**	138,194,409

12.1 Trade receivables

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Trade receivables	**12,262,893**	12,080,689	**18,705,483**	19,425,449
Less: allowance for impairment loss / receivables written down	**(11,251,201)**	(11,251,201)	**(14,308,540)**	(14,384,858)
	1,011,692	829,488	**4,396,943**	5,040,591
Due from related parties [note 21 (a)]	**15,065,872**	14,820,420	**11,345,078**	12,149,392
Less: allowance for impairment loss / receivables written down	**(12,332,141)**	(12,332,141)	**(10,598,405)**	(10,598,405)
	2,733,731	2,488,279	**746,673**	1,550,987
	3,745,423	3,317,767	**5,143,616**	6,591,578

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

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
At 1 January	**23,583,342**	23,734,487	**24,983,263**	25,030,939
Write off during the period / year	**-**	(3,157)	**-**	70,993
(Reversal) / Charge for the period / year	**-**	(147,988)	**(76,318)**	(118,669)
	23,583,342	23,583,342	**24,906,945**	24,983,263

NOTES TO THE CONDENSED INTERIM PARENT COMPANY AND CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (continued)

12. Financial assets and liabilities (continued)

12.2 Cash and bank balances

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Cash in hand	**8,882**	8,883	**18,118**	18,165
Cash at bank:				
Current accounts	**846,759**	1,116,319	**4,579,864**	3,792,736
Call deposits	**-**	-	**-**	-
Fixed deposits	**115,000**	-	**1,269,843**	-
	970,641	1,125,202	**5,867,825**	3,810,901

(a) Fixed deposits are placed with the commercial banks at interest rates ranging from 1.5% (2025: N/A) per annum.

(b) Reconciliation to cashflow statement

The above figures reconcile to the amount of cash shown in the Parent Company's and consolidated statement of cashflows at the end of the period as follows.

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
Cash and bank balances	**970,641**	251,532	**5,867,825**	1,791,701
Bank overdrafts	**(184,836)**	(1,504,198)	**(184,836)**	(1,504,198)
Balances as per statement of cash flows	**785,805**	(1,252,666)	**5,682,989**	287,503

12.3 Financial assets at fair value through other comprehensive income

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Unquoted local equity investment	**125,000**	125,000	**125,000**	125,000
Less: provision for impairment loss	**(125,000)**	(125,000)	**(125,000)**	(125,000)
	-	-	**-**	-

12.4 Financial assets at fair value through profit or loss

As at the reporting date, the financial assets at fair value through profit or loss comprised the following;

	Parent Company and Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)
Fair value		
Quoted investments		
Bank Dhofar SAOG, Oman	**385,950**	2,582,922
Dhofar Insurance Company SAOG, Oman	**226,666**	157,999
	612,616	2,740,921
Un - Quoted investments		
Dhofar University SAOC, Oman	**267,300**	267,300
	879,916	3,008,221

12.5 Trade and other payables

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Trade payables	**19,853,972**	19,377,163	**19,859,255**	20,395,706
Accrued expenses	**7,326,434**	6,933,121	**12,833,280**	8,854,576
Due to related parties [note 21 (e)]	**2,772,726**	2,550,659	**1,500**	3,800
Customer advances	**827,005**	1,901,462	**1,673,154**	2,535,477
VAT payable	**-**	-	**183,884**	197,162
Other payables	**460,254**	286,490	**549,195**	361,582
	31,240,391	31,048,895	**35,100,268**	32,348,303

12. Financial assets and liabilities (continued)

12.6 Term loans

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	**RO**	RO
Non-current portion				
Sohar International Bank SAOG (loan 2)	**2,012,281**	2,713,171	**2,012,281**	2,713,171
Bank Nizwa SAOG (loan 3)	**5,865,725**	7,865,725	**5,865,725**	7,865,725
Al Masraf Bank (loan 7)	**-**	-	**6,852,266**	5,748,151
Ahli Bank SAOG (loan 4)	**5,509,044**	5,970,782	**5,509,044**	5,970,782
Alizz Islamic Bank SAOC (loan 9)	**-**	-	**4,351,738**	4,773,611
Taageer Finance Company SAOG (loan 5)	**376,013**	394,384	**991,494**	1,077,974
Dubai National Bank (loan 8)	**-**	-	**36,477**	36,476
	13,763,063	16,944,062	**25,619,025**	28,185,890
Current portion				
Bank Nizwa SAOG (loan 3)	**3,200,000**	2,597,565	**3,200,000**	2,597,565
Bank Dhofar SAOG (loan 1)	**1,799,664**	3,067,512	**1,799,664**	3,067,512
Sohar International Bank SAOG (loan 2)	**1,167,981**	934,183	**1,167,981**	934,183
Al Masraf Bank (loan 7)	**-**	**-**	**444,230**	2,352,244
Ahli Bank SAOG (loan 4)	**596,954**	226,187	**596,954**	226,187
Alizz Islamic Bank SAOC	**-**	-	**421,873**	-
Taageer Finance Company SAOG (loan 5)	**163,336**	219,324	**299,319**	346,697
Dubai National Bank (loan 8)	**-**	-	**10,422**	20,844
SME Development Fund (loan 6)	**375,279**	731,453	**375,279**	731,453
Accrued interest	**100,079**	190,535	**114,298**	228,173
	7,403,293	7,966,759	**8,430,020**	10,504,858
Total term loans	**21,166,356**	24,910,821	**34,049,045**	38,690,748

(a) *Parent Company*

(i) Loan 1- The Parent Company obtained a loan of RO 32 million from Bank Dhofar SAOG, repayable in 20 semi-annual variable installments starting from December 2012. The loan is secured by a first pari passu charge over the Parent Company's fixed assets and the assignment of insurance policies, along with other banks. In 2016, the loan was converted into USD without altering the repayment term. In August 2021, the outstanding amount of RO 5.1 million was rescheduled into 11 unequal installments, with a one-year principal moratorium from June 2021 to June 2022. The loan was further rescheduled in August 2023, introducing another one-year principal moratorium from June 2023 to June 2024, without modifying the repayment term. Principal repayment commenced with an interest rate of 3-month LIBOR + 400 bps, which was later revised to SOFR + 400 bps, with a minimum all-in interest rate of 5% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

(ii) Loan 2- A loan of RO 13.125 million at a fixed interest rate of 2.40% for three years was obtained from Sohar International Bank SAOG to prepay loans with higher interest rates. Repayment was structured into 14 equal semi-annual installments, beginning in December 2016. The loan is secured by a first pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. In December 2021, the outstanding balance of RO 5.049 million was rescheduled into nine unequal semi-annual installments, with a three-year principal moratorium starting in July 2021. The revised loan carries an interest rate of 7% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

(iii) Loan 3 - A Wakala Bel Istithmar financing facility of RO 12 million was obtained through Islamic finance from Bank Nizwa SAOG, carrying a profit rate of 6.35% per annum. The facility is secured by a first pari passu charge over the Parent Company's fixed assets. In December 2021, during the facility restructuring, the outstanding facility was converted to Diminishing Mushara term loan with 23 unequal installments, with principal moratorium commencing repayment in March 2023, with a revised profit rate of 7% per annum, payable quarterly. In 2023, the principal moratorium was further extended by two years with principal repayment commenced in June 2025. The repayment structure consists of 14 unequal quarterly installments with no change to the term loan tenor, carrying a profit rate of 7.50% per annum.

(iv) Loan 4 - An overdraft facility of RO 3 million, originally obtained as working capital from Ahli Bank SAOG, was converted into a term loan during the facility restructuring in September 2022. The loan has a six-year tenure and is repayable in 22 unequal quarterly installments, with principal repayment commencing at the end of the moratorium period in June 2023. The loan is secured by a pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. The interest rate is 6.5% per annum, currently 7.00% per annum, and is subject to semi-annual review.

(v) Loan 5 - The Parent Company obtained a long-term lease facility of RO 1 million from Taageer Finance Company SAOG in December 2021, with a six-month grace period. The facility is repayable in 90 monthly equal installments at an interest rate of 12.50% per annum. The loan is secured against the mortgage of the Company's equipment.

(vi) Loan 6- The Parent Company obtained a term loan of RO 3 million from the SME Development Fund. The loan is repayable in 60 equal monthly installments at an interest rate of 10.50% per annum. The facility is secured against the mortgage of the plant and machinery of the subsidiary, Sohar Cement Factory SPC.

12. Financial assets and liabilities (continued)

12.6 Term loans (continued)

(b) Subsidiary Companies

(i) *Pioneer Cement Industries, UAE*

Loan 7 - The Company obtained a commercial term loan facility from a local commercial bank, repayable over eight years, with the first quarterly installment due in June 2019. The facility is secured against the commercial mortgage of the plant and machinery, promissory notes, and a corporate guarantee from the Parent Company. The loan carries a mark-up of three-month EIBOR + 4% per annum, with a minimum rate of 6% per annum. In January 2023, the term loan was restructured, introducing unequal quarterly installments and extending the repayment period until September 2029.

Loan 8 - The Company entered into an agreement with Dubai National Bank through Al Futtiam motors for wheel Loader (Vehicle) loan with interest rate of 4.3% p.a with 12 equal (quarterly) instalments from December 2025 to September 2028.

(ii) *Sohar Cement Factory SPC, Oman*

Loan 9 - The Company obtained a Diminishing Ijara'h facility of 10.786 million through Islamic finance from two Islamic banks as a syndication loan. The facility carries a profit rate of 6.25% per annum, presently 7.00% per annum, on a diminishing balance basis. The Ijara'h facility is repayable in 28 quarterly installments of 410,715 each, beginning in June 2019 and concluding in March 2027. The facility is secured by a sale undertaking of fixed assets by creditors, a mortgage or transfer of Usufruct or assignment of Usufruct of the assets, the assignment of all Takaful proceeds with the facility agent designated as a loss payee, and a corporate guarantee from the Parent Company. In December 2024, the facility was restructured, with a two-year principal moratorium, commencing repayment in September 2026, with the repayment term extended until December 2031.

12.7 Short term borrowings

	Parent Company		**Consolidated**	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Short term loan	**4,199,962**	6,021,106	**5,723,778**	7,565,713
Overdrafts	**184,836**	970,585	**184,836**	970,585
	4,384,798	6,991,691	**5,908,614**	8,536,298

Short term loans and overdrafts are obtained from commercial banks carrying an interest rate of 6.25% to 7.5% (2025: 6.25% to 7.5%) per annum for a period of 180 days. The loan is secured by the pledge of following securities:

12.8 Trade payable - gas supplier

	Parent Company		**Consolidated**	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Payables as per billing	**43,885,902**	42,057,477	**43,885,902**	42,057,477
Accrued expense	**13,203,841**	13,012,250	**13,203,841**	13,012,250
Total	**57,089,743**	55,069,727	**57,089,743**	55,069,727

12.9 Lease liabilities

This note provides information for leases where the Company is a lessee.

Amounts recognised in the statement of financial position

	Parent Company		**Consolidated**	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Current	**189,568**	189,568	**448,566**	465,997
Non-current	**1,898,319**	2,064,676	**5,616,042**	5,815,976
Total	**2,087,887**	2,254,244	**6,064,608**	6,281,973

13. Non - Financial assets and liabilities

- specific information about each type of non-financial asset and non-financial liability

  -Property, plant and equipment (note 13.1)
  -Exploration and evaluation assets (note 13.2)
  -Goodwill (note 13.3)
  -Right-of-use assets (note 13.4)
  -Investments accounted for using the equity method (note 13.5)
  -Investment in subsidiaries (note 13.6)
  -Inventories (note 13.7)
  -Prepayments, advances and other receivables (note 13.8)
  -Provision for employees' end of service benefits (note 13.9)

- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved

13. Non - Financial assets and liabilities (continued)

13.1 Property, plant and equipment

Parent Company

	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
Cost or fair value									
At 1 January 2025	75,000	13,561,953	39,943,258	554,235	255,601	1,684,646	5,493,108	11,873,694	73,441,495
Additions	-	153,457	238,778	-	-	-	38,242	1,788,710	2,219,187
Adjustment	-	-	(5,455)	-	-	-	-	-	(5,455)
Transfers	-	23,660	663,484	-	-	-	34,990	(722,134)	-
At 31 December 2025 - audited	75,000	13,739,070	40,840,065	554,235	255,601	1,684,646	5,566,340	12,940,270	75,655,227
At 1 January 2026	**75,000**	**13,739,070**	**40,840,065**	**554,235**	**255,601**	**1,684,646**	**5,566,340**	**12,940,270**	**75,655,227**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**171,306**	**180,042**	**351,348**
At 30 June 2026 - unaudited	**75,000**	**13,739,070**	**40,840,065**	**554,235**	**255,601**	**1,684,646**	**5,737,646**	**13,120,312**	**76,006,575**
Accumulated depreciation and impairment									
At 1 January 2025	-	-	-	554,235	251,570	1,655,867	-	311,387	2,773,059
Charge for the year	-	1,263,640	3,442,551	-	4,031	17,371	1,705,043	-	6,432,636
Provision for impairment		-	1,481,467	-	-	-	47,737	1,179,079	2,708,283
At 31 December 2025 - audited	-	1,263,640	4,924,018	554,235	255,601	1,673,238	1,752,780	1,490,466	11,913,978
At 1 January 2026	**-**	**1,263,640**	**4,924,018**	**554,235**	**255,601**	**1,673,238**	**1,752,780**	**1,490,466**	**11,913,978**
Charge for the year	**-**	**476,084**	**1,261,397**		**-**	**2,360**	**525,230**	**-**	**2,265,071**
At 30 June 2026 - unaudited	**-**	**1,739,724**	**6,185,415**	**554,235**	**255,601**	**1,675,598**	**2,278,010**	**1,490,466**	**14,179,049**
Net carrying value									
At 30 June 2026 - unaudited	**75,000**	**11,999,346**	**34,654,650**	**-**	**-**	**9,048**	**3,459,636**	**11,629,846**	**61,827,526**
At 31 December 2025 - audited	75,000	12,475,430	35,916,047	-	-	11,408	3,813,560	11,449,804	63,741,249

13. Non - Financial assets and liabilities (continued)

13.1 Property, plant and equipment (continued)

Consolidated

	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Cost or fair value									
At 1 January 2025	75,000	19,753,618	69,954,137	898,910	480,651	2,327,542	7,542,320	25,586,859	126,619,037
Additions	-	162,564	239,075	-	1,834	11,519	108,305	1,788,710	2,312,007
Revaluation	-	-	-	-	-	-	(13,704)	-	(13,704)
Disposals	-	-	-	-	-	(531)	(38,810)	-	(39,341)
Adjustment	-	-	(5,455)	-	-	-	-	-	(5,455)
Transfers	-	23,660	663,484	-	-	-	34,990	(722,134)	-
At 31 December 2025 - audited	75,000	19,939,842	70,851,241	898,910	482,485	2,338,530	7,633,101	26,653,435	128,872,544
At 1 January 2025	**75,000**	**19,939,842**	**70,851,241**	**898,910**	**482,485**	**2,338,530**	**7,633,101**	**26,653,435**	**128,872,544**
Additions	**-**	**2,891**	**7,473**	**214**	**4,735**	**24,028**	**214,834**	**224,260**	**478,435**
At 30 June 2026 - unaudited	**75,000**	**19,942,733**	**70,858,714**	**899,124**	**487,220**	**2,362,558**	**7,847,935**	**26,877,695**	**129,350,979**
Accumulated depreciation									
At 1 January 2025	-	-	-	829,487	459,949	2,122,289	-	8,824,649	12,236,374
Charge for the year	-	2,242,356	4,837,358	8,812	10,115	24,296	2,236,244	-	9,359,181
Disposals	-	-	-	-	-	(44)	(32,380)	-	(32,424)
Provision for impairment	-	1,481,467	-	-	-	-	47,737	5,026,541	6,555,745
At 31 December 2025 - audited	-	3,723,823	4,837,358	838,299	470,064	2,146,541	2,251,601	13,851,190	28,118,876
At 1 January 2025	**-**	**3,723,823**	**4,837,358**	**838,299**	**470,064**	**2,146,541**	**2,251,601**	**13,851,190**	**28,118,876**
Charge for the year	**-**	**833,431**	**1,956,147**	**2,618**	**1,647**	**7,272**	**796,176**	**-**	**3,597,291**
At 30 June 2026 - unaudited	**-**	**4,557,254**	**6,793,505**	**840,917**	**471,711**	**2,153,813**	**3,047,777**	**13,851,190**	**31,716,167**
Net carrying value									
At 30 June 2026 - unaudited	**75,000**	**15,385,479**	**64,065,209**	**58,207**	**15,509**	**208,744**	**4,800,158**	**13,026,505**	**97,634,812**
At 31 December 2025 - audited	75,000	16,216,019	66,013,883	60,611	12,421	191,988	5,381,500	12,802,245	100,753,668

13. Non - Financial assets and liabilities (continued)

13.1 Property, plant and equipment (continued)

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	RO	RO
Depreciation is allocated for the period/year as follows:				
Cost of sales	**2,251,638**	3,865,173	**3,527,248**	5,826,788
General and administrative expenses	**13,433**	131,174	**70,041**	221,273
	2,265,071	3,996,347	**3,597,289**	6,048,061

13.2 Exploration and evaluation assets

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	RO	RO
Limestone mining rights				
Cost				
At 1 January and 31 December	**-**	-	**2,307,292**	2,307,292
Amortisation				
At 1 January	**-**	-	**2,307,292**	2,307,292
30 June / 31 December	**-**	-	**2,307,292**	2,307,292
Total	**-**	-	**-**	-

The exploration and evaluation assets are being amortized using straight line method over the term of the license.

The limestone mining rights are for the subsidiary of Pioneer Cement Industries Georgia Limited in Georgia and Raysut Cement Company S.A.O.G (Branch) in United Arab Emirates. These queries were not operational and hence were impaired by the management in prior years.

13.3 Goodwill

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

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

	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)
	RO	RO
Pioneer Cement Industries, UAE	**45,798,586**	45,798,586
Less: Provision for impairment loss	**(45,798,586)**	(45,798,586)
	-	-
Sohar Cement Factory SPC, Oman	**818,482**	818,482
Raysut Maldives Cement Pvt Ltd., Maldives	**2,370,330**	2,370,330
	3,188,812	3,188,812

13.4 Right-of-use assets

	Leasehold land
Parent Company	RO
Cost	
At 31 December 2025 - audited	3,446,229
At 30 June 2026 - unaudited	**3,446,229**
Accumulated depreciation	
At 1 January 2025	1,346,419
Charge for the year	224,403
At 31 December 2025 - audited	**1,570,822**
Charge for the period	**112,201**
At 30 June 2026 - unaudited	**1,683,020**
Net carrying value	
At 30 June 2026 - unaudited	**1,763,209**
At 31 December 2025 - audited	1,875,407

13. Non - Financial assets and liabilities (continued)

13.4 Right-of-use assets (continued)

	Leasehold land
Consolidated	**RO**
Cost	
At 1 January 2025	7,984,968
Additions	61,610
At 31 December 2025 - audited	8,046,578
At 30 June 2026 - unaudited	**8,046,578**
Accumulated depreciation	
At 1 January 2025	2,353,002
Charge for the year	447,334
At 31 December 2025 - audited	**2,800,336**
Charge for the period	**228,639**
At 30 June 2026 - unaudited	**3,028,975**
Net carrying value	
At 30 June 2026 - unaudited	**5,017,603**
At 31 December 2025 - audited	5,246,242

(a) 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. The lease was renewed after expiry, the renewed lease terms is for 30 years.

(b) The Parent Company has a lease agreement for a period of 30 years with Duqm Industrial Land Company LLC to operate the terminal at Duqm port area.

(c) The Parent Company has a lease agreement with C.Steinweg Oman LLC for the terminal facility in Sohar port for a period of 18 years since 2008. However, right-of-use assets and lease liability had not been recognized due to the dispute relating to access rights with the lessor.

(d) Buildings of the subsidiary, Sohar Cement factory SPC, is 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.

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

(f) 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.

(g) The factory land of the subsidiary, Raysut Maldives Cement Private Limited, has a lease period of 15 years from 2020 with Housing Development Corporation PLC and the office building in the Male city office is for a lease period of 5 years from 2021 with Faamdheyrige Development Pvt Ltd.

(h) Amounts recognised in the statement of comprehensive income.

	Parent Company		**Consolidated**	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	RO	RO	**RO**	RO
Depreciation expense of right-of-use assets	**112,201**	112,201	**228,639**	220,834
Interest expense on lease liabilities (note 12)	**71,573**	77,150	**217,005**	226,584
Expense relating to short-term leases (note 8)	**76,800**	76,400	**89,640**	89,240
	260,574	265,751	**535,284**	536,658

Depreciation is allocated as follows:

	Parent Company		**Consolidated**	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	**RO**	RO
Cost of sales	**90,444**	180,889	**171,071**	328,196
General and administrative expenses	**-**	-	**35,811**	69,760
Selling and distribution expenses	**21,757**	43,514	**21,757**	43,514
	112,201	224,403	**228,639**	441,470

13. Non - Financial assets and liabilities (continued)

13.5 Investments accounted for using the equity method

(a) The Group applies equity method of accounting for the investment in associates.

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	**RO**	RO
Cost	**113,343**	113,343	**113,343**	113,343
Less: Impairment	**(113,343)**	(113,343)	**(113,343)**	(113,343)
	-	-	**-**	-

Investment in Mukalla Raysut Trading and Industrial Company ('MRTIC') represent 49% (2025: 49%) equity interest, a limited liability company, incorporated in Republic of Yemen.

13.6 Investment in subsidiaries

	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)
	RO	RO
Pioneer Cement Industries, UAE [refer (a) below]	**66,532,035**	66,532,035
Less: Provision for impairment loss	**(52,522,928)**	(52,522,928)
	14,009,107	14,009,107
Sohar Cement Factory SPC, Oman [refer (b) below]	**12,524,568**	12,524,568
Raysut Barwaaqo Cement Company LLC [refer (c) below]	**102,000**	102,000
Less: Provision for impairment loss	**(102,000)**	(102,000)
	-	-
Raysut Maldives Cement Private Ltd, Maldives	**3,093,205**	3,093,205
Raysut Cement Trading Madagascar	**99**	99
Less: Provision for impairment loss	**(99)**	(99)
	-	-
Duqm Cement Factory LLC, Oman	**150,000**	150,000
Less: Provision for impairment loss	**(150,000)**	(150,000)
	-	-
	29,626,880	29,626,880

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

(b) 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.

(c) Investment in Raysut Burwaqo Cement Company ('RBCC') represents 51% (2025: 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.

(d) 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.

(e) 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.

(f) 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.

(g) Tharawat Energy and Mining SPC was incorporated on 16 March 2026, as a fully owned subsidiary (100%) of Raysut Cement Company SAOG in Muscat, Sultanate of Oman. The principal activity of the Company is trading. The Company is yet to commence commercial operations.

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

30 June 2026	**Total assets** RO	**Total liabilities** RO	**Net assets** RO	**Revenue** RO	**Profit / (loss)** RO
Pioneer Cement Industries*	**47,552,107**	**16,251,252**	**31,300,855**	**16,269,019**	**1,621,239**
Sohar Cement Factory SPC	**20,978,472**	**14,498,475**	**6,479,997**	**10,403,630**	**543,503**
Raysut Burwaqo Cement Company	**141,519**	**750**	**140,769**	**-**	**(750)**
Raysut Maldives Cement Private Ltd.	**4,220,203**	**2,490,528**	**1,729,675**	**2,270,349**	**147,639**
Duqm Cement Factory LLC	**1,777,854**	**10,342,351**	**(8,564,497)**	**-**	**(88,906)**

13. Non - Financial assets and liabilities (continued)

13.7 Inventories

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Raw materials	**1,579,379**	1,672,456	**5,016,289**	3,085,777
Work-in-progress	**4,529,619**	4,247,840	**4,536,012**	5,276,443
Finished goods	**909,331**	1,107,807	**1,515,683**	1,527,044
Provision for inventories [note 13.7(a)]	**(230,302)**	(230,302)	**(256,481)**	(256,481)
	6,788,027	6,797,801	**10,811,503**	9,632,783
Spares and consumables	**7,340,976**	7,105,417	**11,173,341**	10,962,406
Allowance for slow-moving spares [note 13.7 (b)]	**(3,228,072)**	(3,168,072)	**(4,471,516)**	(4,636,432)
	10,900,931	10,735,146	**17,513,328**	15,958,757

(a) Movement in provision for inventories is as follows:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
At 1 January	**230,302**	-	**256,481**	-
Charge for the period / year [note 4]	**-**	230,302	**-**	256,481
At 30 June / 31 December	**230,302**	230,302	**256,481**	256,481

(b) Movement in allowance for slow-moving spares is as follows:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
At 1 January	**3,168,072**	3,048,072	**4,636,432**	4,334,185
Charge for the period / year [note 4]	**60,000**	120,000	**(164,916)**	302,247
At 30 June / 31 December	**3,228,072**	3,168,072	**4,471,516**	4,636,432

13.8 Prepayments, advances and other receivables

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
Advances and deposits	**3,176,804**	3,301,457	**7,522,153**	4,327,158
Less: Write downs	**(2,545,636)**	(2,545,636)	**(2,545,636)**	(2,545,636)
Less: Recovery provision	**(431,319)**	(431,319)	**(1,089,505)**	(1,093,675)
	(2,976,955)	(2,976,955)	**(3,635,141)**	(3,639,311)
	199,849	324,502	**3,887,012**	687,847
Other receivables from related parties [note 21(b)]	**23,722,401**	23,654,749	**15,804,632**	15,804,632
Less: Write downs	**(10,586,735)**	(10,586,735)	**(10,586,735)**	(10,586,735)
Less: Recovery provision	**(12,067,221)**	(12,067,221)	**(5,217,897)**	(5,217,897)
	(22,653,956)	(22,653,956)	**(15,804,632)**	(15,804,632)
	1,068,445	1,000,793	**-**	-
Receivable from tax authorities	**559,139**	559,139	**559,139**	559,139
Less: Adjustments relating to prior years	**(559,139)**	(559,139)	**(559,139)**	(559,139)
	-	-	**-**	-
Prepayments	**-**	50,000	**431,147**	335,000
VAT receivable	**401,143**	400,288	**417,443**	408,950
Advances to staff	**-**	-	**67,063**	42,379
Other receivables	**1,933,326**	1,932,921	**2,538,315**	2,464,057
Less: Write downs	**(1,779,646)**	(1,779,646)	**(1,779,646)**	(1,779,646)
Less: Recovery provision	**(1,787)**	(1,787)	**(532,923)**	(532,923)
	(1,781,433)	(1,781,433)	**(2,312,569)**	(2,312,569)
	151,893	151,488	**225,746**	151,488
	1,821,330	1,927,071	**5,028,411**	1,625,664

13. Non - Financial assets and liabilities (continued)

13.8 Prepayments, advances and other receivables (continued)

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

	Parent Company		Consolidated	
	30-Jun-2026	31-Dec-2025	**30-Jun-2026**	31-Dec-2025
	(unaudited)	(audited)	**(unaudited)**	(audited)
	RO	RO	**RO**	RO
At 1 January	**27,971,483**	26,858,308	**22,315,651**	22,826,457
Charge for the period / year	**-**	1,113,175	**(4,170)**	(510,806)
At 30 June / 31 December	**27,971,483**	27,971,483	**22,311,481**	22,315,651

13.9 Provision for employees' end of service benefits

	Parent Company		Consolidated	
	30-Jun-2026	31-Dec-2025	**30-Jun-2026**	31-Dec-2025
	(unaudited)	(audited)	**(unaudited)**	(audited)
	RO	RO	**RO**	RO
At 1 January	**683,374**	676,423	**1,222,660**	1,201,207
Charge for the period / year [note 6]	**28,181**	40,000	**57,455**	92,118
Paid during the period / year	**(33,838)**	(33,049)	**(76,339)**	(70,665)
	677,717	683,374	**1,203,776**	1,222,660

14. Share capital

	Parent Company	
	30-Jun-2026	31-Dec-2025
	(unaudited)	(audited)
	RO	RO
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 (2025: 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:

	% Share holding		Shares held	
	30-Jun-2026	31-Dec-2025	**30-Jun-2026**	31-Dec-2025
	%	%	**Nos**	Nos
Abu Dhabi Fund for Development, UAE	**15.00**	15.00	**30,000,000**	30,000,000
Social Protection Fund, Oman	**14.97**	14.97	**29,946,009**	29,946,009
Islamic Development Bank, KSA	**11.71**	11.71	**23,415,000**	23,415,000
Dolphin International LLC, Oman	**10.33**	10.33	**20,657,710**	20,657,710
Schwenk Cement Nederland B.V.,Netherland	**10.00**	10.00	**20,001,001**	20,001,001
	62.01	62.01	**124,019,720**	124,019,720
Others	**37.99**	37.99	**75,980,280**	75,980,280
	100.00	100.00	**200,000,000**	200,000,000

15. Share premium

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

16. Legal reserve

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

17. Net assets per share

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

	Parent Company		Consolidated	
	30-Jun-2026	31-Dec-2025	**30-Jun-2026**	31-Dec-2025
	(unaudited)	(audited)	**(unaudited)**	(audited)
	RO	RO	**RO**	RO
Net assets (RO)	**(15,315,879)**	(15,806,652)	**(4,639,361)**	(7,315,085)
Number of shares outstanding	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Net asset per share (RO)	**(0.077)**	(0.079)	**(0.023)**	(0.037)

18. Basic and diluted loss per share

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Net profit / (loss) for the period / year (﷼)	**490,773**	(3,174,922)	**2,676,957**	(2,876,536)
Weighted average number of shares	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Basic and diluted earning / (loss) per share	**0.002**	(0.016)	**0.013**	(0.014)

19. Commitments

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Capital commitments				
Civil and structural	**-**	329,251	**-**	329,251
Plant and machinery	**-**	-	**-**	307,248
Others	**140,000**	140,000	**157,314**	187,314
	140,000	469,251	**157,314**	823,813
Purchase commitments	**1,609,395**	1,612,351	**4,332,047**	4,335,004

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

20. Contingencies

(a) Guarantees, letters of credit and commitments

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Letters of credit	**330,517**	330,517	**7,958,226**	7,958,226
Guarantee and performance bond	**470,000**	490,000	**513,658**	533,658
	800,517	820,517	**8,471,884**	8,491,884

21. 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 year are as follows:

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

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Subsidiary companies:				
Raysut Maldives Cement Private Limited	**1,431,397**	749,696	**-**	-
Less: write downs	**(8,738)**	(8,738)	-	-
	1,422,659	740,958	-	-
Sohar Cement Factory SPC	**564,399**	196,334	**-**	-
Less: write downs	**(2,288)**	(2,288)	-	-
	562,111	194,046	-	-
Raysut Cement Trading Madagascar	**1,724,998**	1,724,998	**-**	-
Less: write downs	**(1,724,998)**	(1,724,998)	-	-
	-	-	-	-
Total	**1,984,770**	935,004	**-**	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**764,963**	1,569,277	**764,963**	1,569,277
Less: write downs	**(18,290)**	(18,290)	**(18,290)**	(18,290)
	746,673	1,550,987	746,673	1,550,987
Other related parties:				
RCC Trading DMCC	**10,580,115**	10,580,115	**10,580,115**	10,580,115
Less: write downs	**(10,580,115)**	(10,580,115)	**(10,580,115)**	(10,580,115)
	-	-	-	-
Total	**2,731,443**	2,485,991	**746,673**	1,550,987

21. Related party transactions and balances (continued)

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

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Subsidiary companies:				
Sohar Cement Factory SPC	**710,477**	648,540	-	-
Less: write downs	**(7,559)**	(7,559)	-	-
	702,918	640,981	-	-
Duqm Cement Factory LLC	**7,207,292**	7,201,577	-	-
Less: write downs	**(6,841,765)**	(6,841,765)	-	-
	365,527	359,812	-	-
	1,068,445	1,000,793	-	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**2,895,178**	2,895,178	**2,895,178**	2,895,178
Less: write downs	**(2,895,178)**	(2,895,178)	**(2,895,178)**	(2,895,178)
	-	-	-	-
Other related parties:				
Raysea Navigation S.A	**2,322,719**	2,322,719	**2,322,719**	2,322,719
Less: write downs	**(2,322,719)**	(2,322,719)	**(2,322,719)**	(2,322,719)
	-	-	-	-
RCC Trading DMCC	**10,475,564**	10,475,564	**10,475,564**	10,475,564
Less: write downs	**(10,475,564)**	(10,475,564)	**(10,475,564)**	(10,475,564)
	-	-	-	-
RCC Holding Company	**78,208**	78,208	**78,208**	78,208
Less: write downs	**(78,208)**	(78,208)	**(78,208)**	(78,208)
	-	-	-	-
RCC MSG Somaliland	**32,963**	32,963	**32,963**	32,963
Less: write downs	**(32,963)**	(32,963)	**(32,963)**	(32,963)
Total	-	-	-	-
	1,068,445	1,000,793	-	-

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

(c) Loan to a subsidiary:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
At 1 January	-	-	-	-
Transfer during the period / year	-	4,469,041	-	-
Less: Recovery provision	-	(4,469,041)		
At 30 June / 31 December	-	-	-	-

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
Non-current	-	-	-	-
Current	-	-	-	-
	-	-	-	-

(d) Loan from a subsidiary:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	﷼	﷼	﷼	﷼
At 1 January	**6,334,442**	6,534,477	-	-
Repaid during the period / year	-	(200,035)	-	-
At 30 June / 31 December	**6,334,442**	6,334,442	-	-
Non-current	**5,671,620**	4,284,527	-	-
Current	**662,822**	2,049,915	-	-
	6,334,442	6,334,442	-	-

21. Related party transactions and balances (continued)

(e) Due to related parties:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	31-Dec-2025 (audited)	**30-Jun-2026 (unaudited)**	31-Dec-2025 (audited)
	RO	RO	**RO**	RO
Subsidiary Companies:				
Pioneer Cement Industries	**2,634,535**	2,408,668	**-**	-
Raysut Burwaqo Cement Co. LLC	**136,691**	138,191	**-**	-
	2,771,226	2,546,859	**-**	-
Other related parties:				
Board of Directors	**1,500**	3,800	**1,500**	3,800
	2,772,726	2,550,659	**1,500**	3,800

Amounts due from/due to related parties are unsecured, interest free and have mutually agreed terms.

(f) The following transactions were carried out with related parties

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	RO	RO	**RO**	RO
Sale of goods and services:				
Subsidiary Companies:				
Raysut Maldives Cement Private Limited	**758,615**	509,538	**-**	-
Sohar Cement Factory SPC	**393,256**	341,814	**-**	-
	1,151,871	851,352	**-**	-
Associate Company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	**1,771,089**	2,332,891	**1,771,089**	2,332,891
Purchase of goods and services:				
Subsidiary Companies:				
	2,922,960	3,184,243	**1,771,089**	2,332,891

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	RO	RO	**RO**	RO
Expenses paid:				
Subsidiary companies:				
Duqm Cement Factory LLC	**5,714**	-	**-**	-
Pioneer Cement Industries	**18,684**	-	**-**	-
Sohar Cement Factory SPC	**83,570**	-	**-**	-
Raysut Barwaaqo Cement Company LLC	**1,500**	-	**-**	-
	109,468	-	**-**	-

(g) Key management compensation:

	Parent Company		Consolidated	
	30-Jun-2026 (unaudited)	30-Jun-2025 (unaudited)	**30-Jun-2026 (unaudited)**	30-Jun-2025 (unaudited)
	RO	RO	**RO**	RO
Board sitting fees [note 5]	**59,500**	92,500	**62,888**	95,648
Directors' travelling allowance [note 5]	**13,200**	600	**13,200**	600
Directors' remuneration [note 5]	**-**	-	**2,907**	3,147
	72,700	93,100	**78,995**	99,395
Short-term employment benefits:				
Salaries and allowances	**186,450**	132,351	**186,450**	132,351
	186,450	132,351	**186,450**	132,351
Post-employment benefit	**6,670**	5,310	**6,670**	5,310
	193,120	137,661	**193,120**	137,661

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).