

Directors' Report



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the interim unaudited Financial Statements for the six-month period ended 30 June 2024.

Financial Performance Highlights (RO'000)

	Jan-Jun 2024 (RO '000)	Jan-Jun 2023 (RO'000)	Increase RO'000	Increase %
Sales	248,596	239,048	9,548	4%
Cost of Sales	(235,228)	(225,925)	9,303	4%
Gross profit	13,368	13,123	245	2%
Other income	3,356	3,065	291	9%
Total expenses	(13,634)	(13,120)	514	4%
Net profit after tax	3,090	3,068	22	1%
Earnings per share (RO)	0.045	0.044	0.001	1%

- Total revenue grew by 4% i.e. by RO 10 million from RO 239 million in Jan-Jun 2023 to RO 249 million during Jan-Jun 2024, on account of increase in sales volume by 5%.
- Other Income grew by 9%, reaching RO 3.4 million in the first half of 2024 compared to RO 3.1 million in the first half of 2023, mainly due to an increase in Non-Fuel Revenues.
- Net profit during the period grew to RO 3.1 million, an increase by 1% compared to the corresponding period in 2023, primarily driven by the growth in sales volume.

Recognition of "One of Oman's Strongest Brands"

As an acknowledgment of our unwavering commitment to delivering excellence in our products and services, your Company was bestowed with the award of "One of Oman's Strongest Brands" in May 2024, in an annual survey conducted by Alam Al-Iktisaad magazine in collaboration with the Arabian Research Bureau (ARB).

Market Segments Performance:

Your Company's strategy focuses on enhancing its brand and enriching customer experiences through successful marketing campaigns, strong customer partnerships, and ongoing investments in technology to deliver innovative products and services.

During the period from January to June 2024, sales volume increased by 5%, indicating a growing demand for the Company's products and services, as summarised below:

- Retail Segment sales volume has gone up by 6%
- Commercial Segment sales volume has increased by 6%
- Aviation Segment sales volume has decreased by 2%
- Lubricants Segment sales have increased by 13%

1) Retail Segment

During the first half of 2024, the Retail Segment, which represents 75% of the Company's total sales volume, demonstrated its crucial role as a primary revenue driver by achieving a 6% increase in sales volume. This growth reflects the Company's successful strategy in maintaining customer satisfaction and loyalty through various value-added programs.

New milestone "250 Fuel stations"

During the period three more new fuel stations were opened, bringing the total retail network to 250 across the Sultanate, while four existing stations were renovated as part of the Company's development plan. The Company remains committed to improving and expanding its network to enhance the customer experience. Several new stations, convenience stores, and service centers are nearing completion and will soon offer exceptional services and a unique customer experience.

2) Commercial Segment

During this period, the Commercial Segment, which represents bulk sales, experienced a 6% increase in sales volume, reflecting improvement despite challenges from some major customers shifting to gas as an alternative energy source. Despite intense competition, positive growth indicators are evident, supported by increased government spending and foreign investments in infrastructure projects. These factors are expected to drive growth and enhance business activity. The Company is capitalizing on these opportunities by implementing strategies to leverage current economic trends and improve its market competitiveness.



3) Aviation segment

In the first half of 2024, the Aviation Segment faced challenges due to a 2% decrease in sales volume, primarily caused by a reduction in demand from a key customer. Despite this, the Company mitigated the impact by increasing sales to other customers.

4) Lubricant Segment

The Lubricant Segment experienced a significant increase in sales volume by 13% compared to the same period last year, driven by the positive response to the new brand "AMPRO" and the Company's success in expanding its customer base through strategies to access new channels.

5) Non-Fuel Retail Segment

In line with our strategic direction to continue expanding and diversifying our activities to maintain sustainable growth and keep pace with changes in the business environment, Your Company has unveiled two major projects of high national importance viz., "**Ghubrah Front project**" in association with Saud Bahwan Group and "**Al Maha Walk**" in association with the Ministry of Culture, Sports and Youth (MoCSY), which are aimed to provide enriching experiences for the community and visitors, representing an important addition to the attractions in Muscat Governorate and in the Sultanate of Oman.

"Al Maha Plus" App is now live

Continuing our initiatives to digitalize our offerings, the Company launched the new smart mobile application "**Al Maha Plus**" in May 2024. The application enhances user experience with easy transactions, loyalty rewards, and convenient service locators. It introduces a fresh, user-friendly interface, comprehensive tools, and new features that make managing fuel and rewards effortless.

Quality, Health, Safety and Environment (QHSE)

The Company is dedicated to the highest standards of QHSE, emphasizing sustainable development and a safe working environment. Ensuring the health and safety of customers and the community is a top priority.

Compliance with QHSE regulations is regularly monitored and reviewed across all units and departments. During this period, comprehensive audits were conducted at various offices, sites, and projects. Additionally, specialized training programs were organized to enhance employee awareness and competence in QHSE.

Chairman's Report (continued)



Corporate Social Responsibility

The Company is committed to social responsibility, focusing on education, health, the environment, and local community development. In the first half of 2024, the Company launched several initiatives, including support for charitable institutions and nonprofit organizations, demonstrating its role as an active and responsible community member. These efforts aim to provide meaningful support tailored to the needs of the communities it serves, ensuring a direct positive impact on society.

Future Outlook

Economic trends in the Sultanate forecast a bright future. The government is steadfast in implementing the Tenth Five-Year Development Plan and Oman Vision 2040, aiming at economic diversification, enhancing the private sector's role, and increasing employment opportunities for Omanis. The Government is expected to continue improving the investment environment and supporting SMEs as key growth drivers. Additionally, major infrastructure projects and digital transformation initiatives are anticipated to boost economic growth effectively.

As the year's first half concludes, the Company's outlook for 2024 remains cautiously optimistic. The Company is committed to supporting national economic objectives, sustainable development, and enhancing prosperity through a strategic approach that leverages opportunities and addresses economic challenges.

Acknowledgment

On behalf of the Board of Directors and executive management, I take this opportunity to express our most sincere gratitude and loyalty to **His Majesty Sultan Haitham bin Tariq** and his efforts toward a prosperous Oman.

We thank the Ministry of Energy and Minerals, the Ministry of Commerce, Industry and Investment Promotion, OQ Refineries, our shareholders, customers, and officials of the Financial Services Authority, the Muscat Stock Exchange, and Muscat Clearing & Depository Company for their valuable support and co-operation. We also appreciate the dedicated and committed service of our staff members.



Dr. Saif Salim Saif Al-Harhi

Chairman

28 July 2024

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Unaudited interim condensed financial statements

For the six months period ended 30 June 2024

REPORT ON REVIEW OF UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL MAHA PETROLEUM PRODUCTS MARKETING CO. SAOG

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Maha Petroleum Products Marketing Co. SAOG ("the Company") as at 30 June 2024 and the related interim condensed statement of comprehensive income for the six-month period then ended, and the related interim condensed statement of changes in equity and interim condensed statement of cash flows for the six months period then ended and a summary of material accounting policy information.

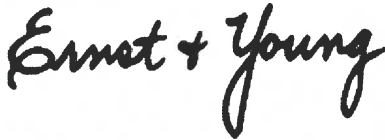
Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information does not give a true and fair view of the financial position of the entity as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 - interim financial information.



7 August 2024
Muscat



AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Interim condensed statement of comprehensive income

For the six months period ended 30 June 2024

		Six months ended		Three months ended	
		30 June		30 June	
		2024	2023	2024	2023
		RO '000	RO '000	RO '000	RO '000
	<i>Notes</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	248,596	239,048	127,527	118,177
Cost of sales		(235,228)	(225,925)	(120,342)	(111,505)
Gross Profit		13,368	13,123	7,185	6,672
Other Operating Income	4	3,356	3,065	1,729	1,574
Operating and administration expenses	5	(12,354)	(12,075)	(6,367)	(6,170)
Operating Profit		4,370	4,113	2,547	2,076
Finance costs	6	(1,307)	(1,191)	(719)	(630)
Finance Income		492	694	186	358
Profit before income tax		3,555	3,616	2,014	1,804
Income tax expense	16	(465)	(548)	(234)	(340)
Profit and total comprehensive income for the period		3,090	3,068	1,780	1,464
Basic and diluted earnings per share (RO)		0.045	0.044	0.026	0.021

The attached notes 1 to 18 form part of these interim condensed financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Statement of financial position

As at 30 June 2024

		30 June 2024	31 December 2023
		RO'000	RO'000
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	29,801	29,428
Investment properties		423	447
Right-of-use assets		6,261	6,296
Contract assets - non current		2,931	2,643
Deferred tax assets	16	2,855	2,776
Total non-current assets		42,271	41,590
Current assets			
Inventories	8	4,127	4,013
Trade and other receivables	10	79,258	76,560
Contract assets - current		1,492	1,952
Short term deposits		2,000	-
Bank balances and cash	9	21,925	42,389
Total current assets		108,802	124,914
TOTAL ASSETS		151,073	166,504
EQUITY AND LIABILITIES			
Equity			
Share capital	11	6,900	6,900
Legal reserve		2,300	2,300
Special reserve		2,104	2,104
Retained earnings		33,552	36,672
Total equity		44,856	47,976
LIABILITIES			
Non-current liabilities			
Lease liabilities		5,688	6,152
Employees' end of service benefits		259	251
Total non-current liabilities		5,947	6,403
Current liabilities			
Trade and other payables	12	48,235	49,192
Short term borrowings	13	48,817	59,559
Lease liabilities		1,184	659
Contract liabilities		1,444	1,444
Income tax payable	16	590	1,271
Total current liabilities		100,270	112,125
Total liabilities		106,217	118,528
TOTAL EQUITY AND LIABILITIES		151,073	166,504
Net assets per share (RO)		0.650	0.695

These financial statements were approved and authorized for issue by the Board of Directors on 28 July 2024 and signed on their behalf by:

Chairman

Director

The attached notes 1 to 18 form part of these financial statements

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Interim condensed statement of changes in equity

For the six months period ended 30 June 2024

	Share capital RO'000	Legal reserve RO'000	Special reserve RO'000	Retained earnings RO'000	Total Equity RO'000
At 1 January 2023 (Audited)	6,900	2,300	2,104	36,224	47,528
Profit and total comprehensive income for the period (unaudited)	-	-	-	3,068	3,068
Cash dividends	-	-	-	(5,865)	(5,865)
At 30 June 2023	<u>6,900</u>	<u>2,300</u>	<u>2,104</u>	<u>33,427</u>	<u>44,731</u>
At 1 January 2024 (Audited)	6,900	2,300	2,104	36,672	47,976
Profit and total comprehensive income for the period (unaudited)	-	-	-	3,090	3,090
Cash dividends	-	-	-	(6,210)	(6,210)
At 30 June 2024	<u>6,900</u>	<u>2,300</u>	<u>2,104</u>	<u>33,552</u>	<u>44,856</u>

The attached notes 1 to 18 form part of these interim condensed financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Interim condensed statement of cash flows

For the six months period ended 30 June 2024

		<i>Six months ended</i>	
		<i>30 June</i>	
		2024	2023
		RO'000	RO'000
Notes		<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES			
	Profit before tax	3,555	3,616
Adjustments for:			
	Depreciation on property, plant and equipment	1,693	1,682
	Depreciation on right-of-use assets	547	468
	Depreciation on investment properties	24	23
	Accrual for employees' end of service benefits	24	16
	Allowance for expected credit loss on bank balances	-	14
	Reversal for expected credit losses	-	(95)
	Amortisation of contract assets	110	110
	(Reversal) / provision for slow moving inventory	8	21
	Finance income	(492)	(694)
	Finance costs	6	1,191
	Cashflows from operations before working capital changes	6,688	6,352
	Inventories	(34)	(246)
	Trade and other receivables	(2,636)	3,901
	Trade and other payables	(957)	(4,694)
	Cashflows from operations after working capital changes	3,061	5,313
	Employees end of service benefits paid	(16)	-
	Income tax paid	(1,225)	(1,065)
	Net cash flows from operating activities	1,820	4,248
INVESTING ACTIVITIES			
	Purchases of property, plant and equipment	(2,066)	(1,967)
	Short term deposit	(2,000)	-
	Finance income received	492	694
	Net cash flows used in investing activities	(3,574)	(1,273)
FINANCING ACTIVITIES			
	Payment of principal portion of lease liabilities	(665)	(666)
	Proceeds from short-term borrowings	285,493	280,719
	Repayment of short-term borrowings	(296,235)	(270,497)
	Finance costs paid	6	(980)
	Dividend paid	(6,210)	(5,864)
	Net cash flows (used in) / from financing activities	(18,710)	2,712
	Net (decrease) / increase in cash and cash equivalents	(20,464)	5,687
	Cash and cash equivalents at 1 January	42,389	35,241
	Cash and cash equivalents at 30 June	21,925	40,928

The attached notes 1 to 18 form part of these interim condensed financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Maha Petroleum Products Marketing Company SAOG ('the Company') is a joint stock company registered under the Commercial Companies Law, of the Sultanate of Oman. The principal activity of the Company is the marketing and distribution of petroleum products. The Company has its primary listing on the Muscat Stock Exchange. The principal place of business is located at Ghala, Sultanate of Oman.

In December 2022, the Company signed a partnership agreement with Vince Arabia in Kingdom of Saudi Arabia and registered its first overseas branch in Dammam, Kingdom of Saudi Arabia, named as "Al Maha Petroleum Products Marketing Company – KSA branch", bearing Commercial Registration number 2050165463.

The principal activity of the branch is to construct and operate filling stations, there were no operations during the year for the branch.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Statement of compliance

The unaudited interim condensed financial statements for the six months period ended 30 June 2024 of the Company are prepared in accordance with International Accounting Standards (IAS) 34, 'Interim Financial Reporting.

Basis of preparation

The interim condensed financial statements have been prepared on the historical cost.

The functional currency of the Company is the Rial Omani (RO). These unaudited interim condensed financial statements of the Company are prepared in Rial Omani. The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as at 31 December 2023. In addition, results for the period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year 2024.

The Company has prepared the unaudited interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

New and amended standards and interpretation to IFRS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

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

These amendments had no impact on the interim condensed financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

3 REVENUE

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from sale of goods	181,702	171,479	93,286	86,807
Revenue from contract with customers	66,894	67,569	34,241	31,370
	248,596	239,048	127,527	118,177
Types of sales				
Retail	181,702	171,479	93,286	86,807
Commercial	40,298	39,895	21,216	19,226
Others	26,596	27,674	13,025	12,144
	248,596	239,048	127,527	118,177
Geographical market				
Domestic market	248,596	239,048	127,527	118,177
Timing of revenue recognition				
Goods transferred at a point in time	248,596	239,048	127,527	118,177

4 OTHER OPERATING INCOME

Other income includes transport rebate, rental income from filling station,dealers,convenience stores and other property leased out, income from project manpower costs and others.

5 OPERATING AND ADMINISTRATION EXPENSES

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Employee benefit expenses	3,370	3,342	1,767	1,727
Operating expenses	5,938	5,834	3,088	3,002
Administration and general expenses	673	616	333	284
Depreciation and amortisation	2,373	2,283	1,179	1,157
	12,354	12,075	6,367	6,170

6 FINANCE COSTS

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on bank borrowings	1,093	971	612	522
Interest on lease liabilities	214	220	107	108
	1,307	1,191	719	630

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

7 PROPERTY PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Company acquired assets with a cost of RO('000) 2,066 (30 June 2023: RO ('000) 1,967).

8 INVENTORIES

	30 June	<i>31 December</i>
	2024	<i>2023</i>
	RO'000	<i>RO'000</i>
	(Unaudited)	<i>(Audited)</i>
Petroleum products	3,665	3,661
General stores and consumables	558	574
Fuel cards	145	99
	<u>4,368</u>	<u>4,334</u>
Less: provision for slow and non-moving inventories	<u>(241)</u>	<u>(321)</u>
	<u><u>4,127</u></u>	<u><u>4,013</u></u>

Movement in the provision for slow and non-moving inventories is as follows:

	30 June	<i>31 December</i>
	2024	<i>2023</i>
	RO'000	<i>RO'000</i>
	(Unaudited)	<i>(Audited)</i>
At 1 January	321	289
Charge for the period / year	<u>(80)</u>	<u>32</u>
At 30 June /31 December	<u><u>241</u></u>	<u><u>321</u></u>

9 BANK BALANCES AND CASH

	30 June	<i>31 December</i>
	2024	<i>2023</i>
	RO'000	<i>RO'000</i>
	(Unaudited)	<i>(Audited)</i>
Cash at bank	22,067	42,239
Less: allowance for expected credit loss	<u>(186)</u>	<u>(186)</u>
	<u>21,881</u>	<u>42,053</u>
Cash in hand	<u>44</u>	<u>336</u>
	<u><u>21,925</u></u>	<u><u>42,389</u></u>

Movement in the allowance for expected credit loss is as follows:

	30 June	<i>31 December</i>
	2024	<i>2023</i>
	RO'000	<i>RO'000</i>
	(Unaudited)	<i>(Audited)</i>
At 1 January	186	147
Charge for the period / year	<u>-</u>	<u>39</u>
At 30 June /31 December	<u><u>186</u></u>	<u><u>186</u></u>

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

10 TRADE AND OTHER RECEIVABLES

	30 June 2024 RO'000 (Unaudited)	<i>31 December 2023 RO'000 (Audited)</i>
Trade receivables	85,094	81,881
Less: allowance for expected credit losses	<u>(9,676)</u>	<u>(9,676)</u>
	75,418	72,205
Prepayments	1,170	708
Accrued income	55	17
Staff receivables	118	120
Other advances and receivables	<u>2,497</u>	<u>3,510</u>
	<u>79,258</u>	<u>76,560</u>

a) Trade receivables are non-interest bearing, unsecured and are generally on terms up to 90-180 days (2023 – 90-180 days). Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables.

b) The movement in allowance for expected credit losses against trade receivables is as follows:

	30 June 2024 RO'000 (Unaudited)	<i>31 December 2023 RO'000 (Audited)</i>
At 1 January	9,676	9,400
Charge for the period / year	<u>-</u>	<u>276</u>
At 30 June /31 December	<u>9,676</u>	<u>9,676</u>

11 SHARE CAPITAL

The authorised share capital of the Company consists of 85 million shares (2023 – 85 million shares) of RO 0.100 each (2023 – RO 0.100 each). The issued and paid-up share capital of the Company consists of 69 million shares (2023 – 69 million shares) of RO 0.100 each (2023 – 0.100 each).

12 TRADE AND OTHER PAYABLES

	30 June 2024 RO'000 (Unaudited)	<i>31 December 2023 RO'000 (Audited)</i>
Trade payables	42,888	42,484
Accrued expenses	2,947	4,119
Advances from customers	472	435
Other payables	<u>1,928</u>	<u>2,154</u>
	<u>48,235</u>	<u>49,192</u>

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

13 SHORT TERM BORROWINGS

Short term loans are obtained from local commercial banks in the Sultanate of Oman and carry interest at commercial rates. The interest rates are subject to re-negotiation with the banks on a periodic basis. The facility agreement with a local commercial bank contains certain restrictive covenants which, if violated, can permit the bank to withdraw the facilities.

14 SEGMENTAL INFORMATION

Operating segments are the business units from which reportable segments derive their revenue.

The reportable operating segments Company derives its revenue mainly from the sale of petroleum products.

Information reported to the Company's Chief Executive Officer for purposes of resource allocation and assessment of segment performance is more specifically focused on the category of business units.

The Company's reportable segments include retail, commercial and other sales. Other sales are predominantly aviation fuel and an insignificant portion of lubricants.

Retail segment represent the most significant component of revenue for the Company.

15 RELATED PARTY TRANSACTIONS

The Company enters into transactions in the ordinary course of business with key management personnel (including Board of Directors) and entities in which the key Management personnel / significant shareholders of the Company have significant influence or control. Prices and terms of payment for these transactions are approved by the Management and the Board of Directors.

These transactions are entered into on terms and conditions approved by the management and Board of Directors and subject to shareholders' approval at the Annual General Meeting.

Transactions with related parties included in the statement of comprehensive income are as follows:

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Transactions with other entities related to Directors:				
Revenue	-	-	-	-
Transactions with Directors:				
Directors' remuneration and sitting fees	38	38	21	20
	<u>38</u>	<u>38</u>	<u>21</u>	<u>20</u>

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the six months period ended 30 June 2024

16 INCOME TAX

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Statement of comprehensive income				
Current period	544	586	313	370
Deferred tax	(79)	(38)	(79)	(30)
	465	548	234	340

The Company is subject to income tax at 15% (2023 – 15%) of taxable profits.

The taxation assessment for the year 2021,2022 and 2023 have not been finalized by the Taxation Authority. The management considers that the amount of additional taxes, if any, that may become payable on finalization of the taxation assessment for the above tax year, may not be material to the financial position at the end of the reporting period.

17 COMMITMENTS AND CONTINGENCIES

- a) At 30 June 2024, the Company had capital commitments amounting to RO 2,921 ('000) (31 Dec 2023 : RO 3,047 ('000)).
- b) Other contingencies:
- i) In December 2015, a civil case, connected to a criminal case initiated against the former Managing Director and the former Senior Marketing Manager of the Company, had been filed by a party claiming RO 1,846,600 from the Company. The case has been rejected by Primary and Appeal Courts and has been raised to the Higher Supreme Court. Based upon external legal advice, the Board of Directors consider that the Company has no legal responsibility in respect of these two cases and, accordingly, no provision has been made against this claim in the financial statements on the basis that management believes the possibility of significant loss to the Company arising is less than probable.
- ii) In previous years, the Company received claims from a major fuel supplier in Oman in respect of:
- a) Price differential between the international and domestic gasoil prices payable in respect of fuel supplied during prior years to a customer amounting to approximately RO 820,000 as per the notification received from the Ministry of Finance by the fuel supplier. The Company has disputed the claim and considers that the sale was a domestic fuel sale based upon a notification received from the Ministry of Energy and Minerals in this regard and not an international sale, as contested by the fuel supplier.
- b) The fuel supplier has also claimed interest of approximately RO 406,000 (2023: RO 406,000) in respect of non-settlement of the claim (i) by the Company.

Based upon the review of the correspondences with the supplier relating to the above claims and in-house legal counsel, the Company is constantly monitoring the status of these claims and maintains adequate reserves to cover any liability that may arise.

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For the six months period ended 30 June 2024

18 CLIMATE RELATED RISKS

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally.

While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains. The Company is making progress on embedding climate risk in its risk framework.