2024
ANNUAL REPORT

معكم أينما كنتم
With you everywhere

FROM A LEGACY OF TRUST
TO A FUTURE OF POSSIBILITIES

"We stand today with firm invincible will on the threshold of a vital stage of development and nation building. It is a stage which you all have participated in drawing out its prospects in Oman 2040 Future Vision, and contributed to devising its economic, social and cultural goals, in a manner that embodies a clear-cut vision, great expectation towards a more prosperous future"

HIS MAJESTY SULTAN HAITHAM BIN TARIQ

Source: Oman News Agency

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BOARD OF DIRECTORS

Dr. Saif Salim Saif Al Harthi
Chairman

H.H Sheikh Mohammed bin Sultan bin Khalifa Al Nahyan
Deputy Chairman

Mr. Sultan Khalifa Saleh Al-Tai
Member

Mr. Nabil Hamed Zahran Al Mahrouqi
Member

Mr. Mohammed Saif Muaded Al Kaabi
Member

Mr. Ibrahim Mohammed Hamed Al-Harthi
Member

Mr. Abdullah Mohammed Ali Al-Mamari
Member

EXECUTIVE MANAGEMENT TEAM

Eng. Hamed Salim Al Maghdri
Chief Executive Officer

Hiriyanna Narayanaswamy
Chief Financial Officer

Ahmed Bakhit Al Shanfari
Division Head - Marketing & Business Development

Hafedh Awadh Bait Hadid
Division Head - Sales

Asad Issa Abdullah Al-Harthi
Division Head - Support Services

Hamood Saleh Al Amri
Division Head - Technical

Salah Abdullah Al Shamsy
Division Head - Strategic Planning & Risk Management

DIRECTORS' REPORT

Dr. Saif Salim Saif Al-Harthi
Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to extend my heartfelt congratulations to **His Majesty Sultan Haitham Bin Tarik Al Said** on the fifth anniversary of his leadership — a milestone that reflects the remarkable achievements of the past five years and the wisdom of His Majesty's leadership in shaping a bright future for Oman.

Under Oman Vision 2040 – the ambitious strategic plan launched by His Majesty the Sultan – and during the past five years of the Renewed Renaissance, the Sultanate has achieved significant milestones, including improved economic performance, reduced public debt, enhanced credit rating, and strengthened financial sustainability. Additionally, the country has developed its investment environment and implemented strategic projects that contribute to sustainable development. These achievements have positively impacted various sectors and helped create a business-friendly environment that supports the growth of companies and institutions in the Sultanate, including Al Maha Petroleum Products Marketing Company.

It is my honor to present to you the Company's 21st annual report, which includes the audited financial statements for the fiscal year ending December 31, 2024 and highlights the key events of the year.

In 2024, the Omani economy continued its expansion, with inflation rates remaining at low levels. The year saw a steadfast commitment to implementing reforms under Oman Vision 2040, which contributed to strengthening social security protection, increasing labor market flexibility, and improving the business environment.

Prudent financial management further improved the country's fiscal and external positions, leading to the sovereign credit rating being upgraded to investment grade. Sustaining the momentum of fiscal reforms also strengthened financial sustainability and bolstered efforts to drive economic diversification.

Amid these positive economic developments, the Company benefited from the overall improvement in the business environment, which positively impacted its operational performance in 2024. The Company successfully capitalized on new business opportunities that emerged during the year, achieving tangible growth, as evidenced by an increase in sales of RO 20.6 million and a rise in other income, primarily from the non-fuel revenue (NFR) segment. These results affirm the Company's ability to achieve its strategic objectives and capitalize on available opportunities to sustain its success and contribute to the Sultanate's economic development.

Financial Performance Highlights

	2024 (RO '000)	2023 (RO'000)	Increase/ Decrease (RO'000)	Increase/Decrease %
Sales	**514,400**	493,810	20,590	4.2%
Cost of sales	**(486,037)**	(465,909)	20,128	4.3%
Gross profit	**28,363**	27,901	462	1.7%
Other income	**6,784**	6,578	206	3.1%
Total expenses	**(29,106)**	(28,166)	940	3.3%
Net profit after tax	**6,041**	6,313	(272)	(4.3%)
(Earnings per share (RO	**0.088**	0.091	(0.003)	(4.3%)

- Total revenue increased to RO 514.4 million in 2024, a growth of 4.2% from RO 493.8 million in 2023, mainly due to an increase in sales volume by 6%. This positive indicator reflects rising market demand and the sales strategies implemented by the Company, demonstrating the successful expansion of its core operations.
- Other Income increased by 3.1% from RO 6.6 million in 2023 to RO 6.8 million in 2024, mainly attributed to the growth in non-fuel revenues.
- Net profit decreased by 4.3% from RO 6.3 million in 2023 to RO 6 million in 2024. This decrease was primarily driven by a lower profit margin in the aviation segment due to the decline in global oil prices.

Performance by Market Segments:

Throughout 2024, the Company continued executing its strategy aimed at enhancing operational efficiency, delivering added value to customers, and effectively adapting to evolving market challenges. The company sought to capitalize on emerging opportunities by developing its infrastructure, innovating in products and services, and enhancing customer experience. Additionally, it remained committed to responding to customer preferences and shifting industry trends, which strengthened its brand position in the market and directly contributed to the growth in sales volume.

Strategic investments in fuel station development and modern technology played a pivotal role in enhancing customer experience and delivering more efficient services. These investments also fostered innovation and expanded the range of products and services offered, enabling the Company to meet the growing market demand.

As a result of these efforts, the Company achieved a 6% increase in total sales volume during 2024 compared to 2023, reflecting growing customer confidence in its products and services. The performance across the segments is detailed as follows:

- **Retail Segment:** Sales volume increased by 6%, driven by network expansion and improved customer experience.
- **Commercial Segment:** Achieved a remarkable 10% growth in sales volume, supported by new contracts and increased demand from key clients.
- **Lubricants Segment:** Recorded a 7% increase in sales, driven by higher demand for the Company's products, supported by the expansion of marketing channels.
- **Aviation Segment:** Maintained the same performance levels as 2023, continuing to deliver high-quality services to its clients.

This performance highlights the Company's success in addressing challenges, balancing growth and innovation, and focusing on customer needs while enhancing operational efficiency.

1) Retail Segment

The retail segment remains the cornerstone of the Company's operations and a key contributor to its revenues, representing the core of its expansion strategy and customer satisfaction initiatives. In 2024, the segment achieved remarkable milestones that reinforced the Company's market position and enhanced its ability to meet customer needs effectively. These achievements are the result of ongoing efforts to improve services and adopt innovative solutions tailored to customer expectations and preferences.

The accomplishments of the retail segment in 2024 can be summarized as follows:

a) Fuel Stations:

- The Company has entered into significant investment agreements to develop integrated fuel stations and modern commercial centers in key locations. These agreements include two within Sultan Haitham City, one with the Ministry of Culture, Sports, and Youth in South Al-Ghubrah, and the "Al-Ghubrah Front" agreement with Saud Bahwan Group. These initiatives reflect the Company's commitment to driving growth and strengthening its position as a leading brand in both the local and regional markets.
- Five new fuel stations were opened, bringing the total number of stations to 252 across the Sultanate, expanding the Company's geographical coverage and improving customer accessibility.
- Eight fuel stations were renovated to provide modern services and improve customer experience.
- The Company is finalizing several new fuel stations and service centers that will soon be inaugurated, offering integrated services.

b) Smart Fuel Cards:

- Successful campaigns for smart fuel cards significantly boosted customer adoption, increasing retail sales and stronger customer loyalty.

c) National Subsidy System Cards:

- The registered and active National Subsidy Cards achieved significant growth, with sales increasing by 35% and the number of customers rising by 27%. This achievement is attributed to the Company's adoption of smart and innovative solutions through Al Maha cards, and the "Al Maha Plus" App enhancing service efficiency and customer appeal.

d) "Fuely" Fuel Delivery Service:

- The "Fuely" fuel delivery service achieved solid growth, driven by growing demand from commercial customers. The Company is working on further enhancing this service to provide even more flexible and efficient solutions to meet B2B needs.

  The Company remains committed to investing in expanding its fuel station network and enhancing its technological infrastructure, with a strong focus on digital innovation to improve operational efficiency and elevate customer experience. It also aims to launch new services that cater to the market's evolving needs, supporting its long-term growth and sustainability objectives.

  The outstanding performance of the retail segment highlights the Company's ability to adapt to challenges, drive growth through innovation, and respond swiftly to customer needs, further solidifying its position as a leading player in the market.

2) Commercial Segment

The commercial segment is one of the most competitive segments, facing ongoing challenges, most notably the decline in demand for diesel fuel as several key customers transition to gas as an alternative energy source for power generation. However, current indicators suggest promising growth opportunities in this segment, supported by the anticipated increase in government spending and foreign investments in infrastructure projects, which are expected to enhance commercial activity and drive economic growth.

Performance of the Commercial Segment in 2024:

The commercial segment achieved significant growth of 10% during 2024, reflecting the Company's ability to adapt to market challenges and capitalize effectively on available opportunities. This growth was driven by signing new contracts with key customers in vital sectors such as construction and energy, which contributed to expanding the customer base and increasing demand for the Company's products and services.

Additionally, the Company's efforts to strengthen relationships with key customers and provide tailored solutions to meet their needs played a pivotal role in building trust and driving sales momentum. The Company also focused on expanding its range of commercial services by offering value-added solutions, such as improving delivery services and providing flexible payment options, which helped attract new customers and enhance loyalty among existing ones.

3) Aviation segment

The aviation fuel segment is a vital component of the Company's operations, playing a key role in supporting its revenues and strengthening its market position. However, the sector faces challenges related to global fuel price fluctuations and reduced demand from some major customers, which requires high levels of adaptability and flexibility the Company has demonstrated with distinction.

Performance of the Aviation Segment in 2024:

Despite a decline in demand from customers in the Sultanate of Oman, the Company successfully maintained the same performance level as recorded in 2023. This was supported by effective strategies to offset the downturn through increased sales to other international commercial airlines.

- **Diversifying the Customer Base:** The Company's efforts to diversify its customer base by targeting other commercial airlines helped boost sales, reduce reliance on major customers, and enhance the stability of the segment.
- **Enhancing Operational Efficiency:** The Company continued to invest in improving its operational processes to ensure the delivery of reliable, high-quality services, strengthening customer trust and positioning the Company as a strategic partner in the aviation sector.

4) Lubricant Segment

The lubricants segment experienced exceptional growth in 2024, achieving record-breaking sales, the highest in the Company's history. This remarkable achievement was driven by the increasing demand for Al Maha products, particularly the success of the 'AMPRO' brand, which was launched last year as a professional range and enhanced the appeal and market position of the Company's offerings.

This performance reflects the Company's commitment to delivering high-quality products and exceptional customer service while maintaining competitive pricing that meets diverse market needs. These efforts have strengthened customer trust and loyalty, enabling the Company to expand its customer base and attract new clients.

Building on this positive momentum, the Company aims to drive further growth in the lubricant segment through innovation and the development of new products, alongside expanding into new markets and increasing its geographic footprint. The focus remains on improving customer experience and enhancing operational efficiency to ensure the sustainability of success in this vital segment.

5) Non-Fuel Revenue (NFR) and Other Income Segment

The non-fuel revenue and other income segment represents one of the key pillars in the Company's strategy to diversify its revenue streams and enhance financial sustainability. With the increasing focus on expanding activities and services offered to customers, this segment has emerged as a new driver of future growth.

Performance of the Non-Fuel Retail and Other Income Segment in 2024:

- **Revenue Growth:** Other income grew by 3.1% in 2024, driven by the Company's concerted efforts to diversify its offerings and focus on non-fuel products.
- **Expansion in Non-Fuel Activities:** The Company opened several commercial outlets and vehicle service centers, further expanding the segment's reach and contributing to additional revenue generation.
- **Integration with the Fuel Retail Sector:** The integration between fuel and non-fuel products enhanced the appeal of this segment, attracting more customers and supporting the Company's overall success.

The Company remains committed to expanding this segment by establishing modern commercial centers and offering innovative services that meet customer needs to ensure sustainable growth, strengthen the Company's competitive position, and support the diversification of its revenue streams over the long term.

Dividend

In line with our consistent dividend policy of maintaining a sustainable dividend payment, the Board of Directors has recommended a cash dividend of Bzs 85 per share, representing 85% of share capital, subject to the approval of the shareholders' Annual General Meeting to be held on 23 March 2025.

Corporate Governance

The Company upholds Corporate Governance as a key pillar for ensuring effectiveness and responsibility at every organizational level, from the board of directors to executive management. More than just defining roles and responsibilities, our commitment to these standards is about ensuring fairness for all stakeholders through transparent policies and complete disclosure. These governance principles also significantly empower and actively engage our employees in decision-making. A dedicated section in the Annual Report provides a detailed Corporate Governance Report. This section highlights the critical role of these practices. Furthermore, the Company will publish its first annual report on Environmental, Social, and Governance (ESG).

Quality, Health, Safety and Environment (QHSE)

In 2024, the Company demonstrated its unwavering commitment to Quality, Health, Safety, and Environmental (QHSE) principles. It prioritized sustainable development, fostered safe and healthy work environments, and worked to enhance the quality of life for employees, customers, and the communities it serves.

Aligned with its growth strategy, the Company expanded into maritime bunkering services during the year, providing dependable refueling solutions for the shipping industry. This expansion reflects the Company's focus on operational excellence and environmental responsibility.

QHSE compliance continues to be rigorously monitored across all organizational levels, with regular reviews ensuring alignment with strategic goals and adherence to industry standards. The Company's progress is evident in the achievement and maintenance of ISO certifications for Quality (ISO 9001), Health & Safety (ISO 45001), and Environment (ISO 14001), underscoring the integration of QHSE values into every aspect of operations.

To further its commitment, the Company conducted comprehensive audits and implemented specialized training programs throughout 2024. These initiatives, including those focused on maritime bunkering services, were designed to enhance employee skills and raise awareness of quality, safety, health, and environmental practices. By fostering a proactive culture, the Company achieved measurable improvements that supported sustainable growth and reinforced its reputation for excellence.

Corporate Social Responsibility

The Company firmly believes in the importance of its role in fostering community development and improving the quality of life for individuals. This commitment is reflected in its focus on supporting key sectors such as education, healthcare, and the environment. As part of its vision for social responsibility, the Company aims to create a sustainable positive impact that aligns with the evolving needs of the communities it serves.

DIRECTORS' REPORT

In 2024, the Company concentrated its efforts on initiatives supporting charitable organizations, non-profit institutions, and service facilities that deliver direct benefits to the community. These efforts extended beyond financial contributions to include strategic projects designed to enhance individual well-being and provide innovative solutions that contribute to the growth of local communities.

Through these initiatives, the Company reaffirms its commitment to acting as a proactive partner in sustainable development. Looking ahead, it is dedicated to launching more inclusive and impactful programs that embody the values of generosity and responsibility toward current and future generations.

Future Outlook

The Omani economy is expected to witness promising growth opportunities in 2025, supported by Oman Vision 2040, which emphasizes economic diversification and strengthening the role of the private sector. The Sultanate's 2025 budget assumes an average oil price of $60 per barrel, reflecting a prudent fiscal policy aimed at maintaining financial stability amidst global market fluctuations. This approach aligns with the government's commitment to enhancing the economy through non-oil sources by investing in key sectors such as infrastructure, digital transformation, and sustainable energy, which serve as critical pillars for driving economic growth and creating new business opportunities.

In line with these national priorities, major government projects, including the development of roads, ports, and logistics services, present significant opportunities for the Company to expand its operations and enhance its geographical reach. Additionally, the increasing focus on clean energy initiatives, such as green hydrogen and renewable energy, provides the Company with opportunities to explore new markets that support its sustainability goals and enhance its competitiveness.

Furthermore, the emphasis on digital transformation and public-private partnerships opens avenues for collaboration in various areas, contributing to the improvement of the Company's operational efficiency. Continued government support for housing, healthcare, and education sectors also fosters economic stability and sustains consumer spending, supporting demand for the Company's products and services.

As part of its regional expansion strategy, the Company launched its first fuel station in Riyadh, Saudi Arabia, in January 2025, marking a strategic step toward regional growth. The Company is also working with its partners in the Kingdom to establish 17 additional stations, further strengthening its presence in one of the region's largest markets and unlocking new opportunities in the retail fuel segment.

Based on these economic and strategic developments, and building on the strong performance achieved in 2024, Al Maha Petroleum Products Marketing Company S.A.O.G continues to implement its expansion plans by strengthening its presence both locally and regionally, while capitalizing on opportunities across various economic sectors. The Company remains focused on enhancing its operational efficiency, expanding its service offerings, and strengthening strategic partnerships to maintain its competitiveness in a rapidly evolving market. Through these initiatives, the Company reinforces its position as a leading provider of integrated services, contributing to economic development and ensuring sustainable growth that enhances its market presence.

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-Harthi

Chairman

23 February 2025

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C.R. No. 1224013
PR No. HMH/15/2015; HMA/9/2015

AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG IN RESPECT OF CORPORATE GOVERNANCE REPORT

Scope and purpose
We have performed the procedures agreed with you pursuant to the Financial Services Authority's (FSA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report (the "Report") of Al Maha Petroleum Products Marketing Company SAOG (the "Company") as at and for the year ended 31 December 2024 and its application of the corporate governance practices in accordance with amendments to FSA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code").

Restricted use
This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2024 and does not extend to any financial statements of Al Maha Petroleum Products Marketing Company SAOG, taken as a whole.

Responsibilities of the Board of Directors
The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

Responsibilities of the Practitioner
We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our independence and quality control
In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant independence requirements. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit.

AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG IN RESPECT OF CORPORATE GOVERNANCE REPORT (continued)

Our independence and quality control (continued)
EY applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2024.

Our procedures and findings included:

No.	Procedures	Findings
(a)	We obtained the Corporate Governance report issued by the Board of Directors and checked that the report of the Company includes at minimum all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details regarding areas of non-compliance with the Code identified by the Company Board of directors for the year ended 31 December 2024. Additionally, we obtained written representations from the directors that there were no other areas of non-compliance with the code for the year ended 31 December 2024 of which they are aware.	No exceptions noted.

Ernst + Young

26 February 2025
Muscat

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س.ت : ١٢٢٤٠١٣
ص.ب : ١٧٥٠ روي - ١١٢ ، سلطنة عمان
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Corporate Governance Report

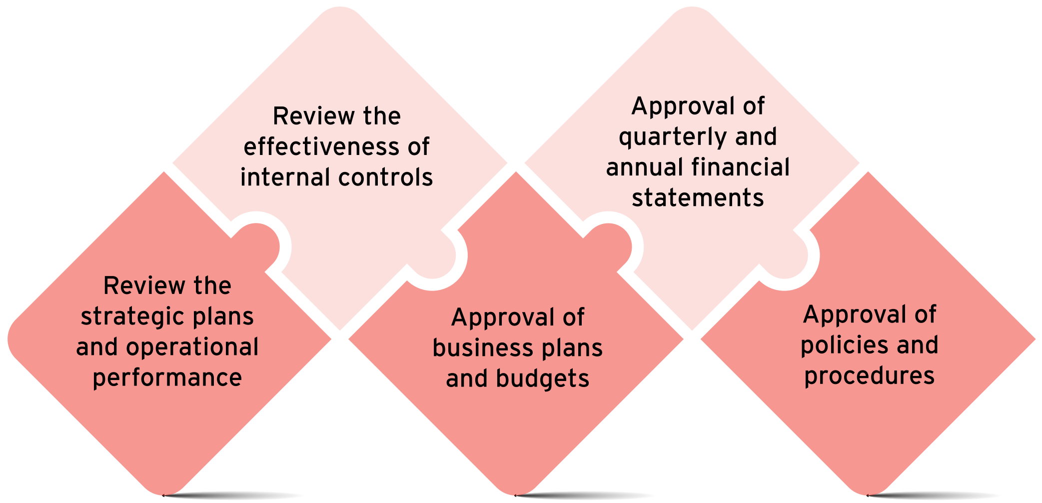
Our Corporate Governance Philosophy

The Company is committed to implementing the Code of Corporate Governance issued by the Financial Services Authority (FSA) to maximize shareholder value while ensuring fairness to all stakeholders sustainably, including customers, partners, investors, employees, government, and society. Our corporate governance reflects our value system, encompassing our culture, policies, and relationships with our stakeholders.

Board of Directors

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed, and independent board is necessary to ensure the highest corporate governance standards.

The Board's main responsibilities include:



Election of the Board of Directors

Elections of the members of the Board of Directors are carried out at the Annual Ordinary General Meetings of the Company in accordance with the provisions of the Commercial Companies Law and the guidelines issued by the Capital Market Authority.

If the office of a director becomes vacant in the period between two annual ordinary general meetings, the board appoints a temporary director to assume his office until the next ordinary general meeting in accordance with the provisions of the Commercial Companies Law.

Current Board

The current Board was elected in the Annual Ordinary General Meeting held on 9 March 2022.

As of 31 December 2024, the Board consists of **seven** members, all of whom are independent directors. The details of the Board of Directors as of 31 December 2024 are as below:

S. No.	Director's name	Designation	Status	Board Meetings Attended	AGM Attended	Directorships in other SAOG Companies
1.	**Dr. Saif Salim Saif Al-Harthi**	Chairman	Independent	8	YES	1- Bank Muscat SAOG
2.	**His Highness Sheikh Mohammed Bin Sultan Al-Nahyan**	Deputy Chairman	Independent	8	YES	-
3.	**Ibrahim Mohamed Hamed Al-Harthi**	Director	Independent	8	YES	-
4.	**Sultan Khalifa Saleh Al-Tai**	Director	Independent	8	YES	1- Phoenix Power Company SAOG
5.	**Nabil Hamed Zahran Al-Mahrouqi**	Director	Independent	8	YES	1- National Bank of Oman SAOG 2- Oman Chlorine SAOG 3- Al Omaniya Financial Services SAOG
6.	**Abdullah Mohammed Al-Mamari**	Director	Independent	8	YES	1- Sembcorp Power and Water SAOG 2- Oman Cement Company SAOG
7.	**Mohammed Saif Al-Kaabi**	Director	Independent	8	YES	-

Number of Board Meetings in 2024:

The Board held eight meetings in 2024, as detailed below:

1. 28 January 2024
2. 18 February 2024
3. 28 April 2024
4. 30 June 2024
5. 28 July 2024
6. 27 October 2024
7. 17 November 2024
8. 22 December 2024

The intervals between the Board meetings are in line with the FSA requirements of a maximum interval of four months.

Audit Committee

Role of Audit Committee

The Audit Committee Charter defines the duties and responsibilities of the Committee concisely:

- Ensuring compliance with the FSA regulations and Code of Corporate Governance.
- Reviewing quarterly and annual financial statements.
- Recommending external audit fees and terms of engagement to the Board of Directors.
- Reviewing and approving the annual internal and external audit plans and ensuring that auditors have full and unrestricted access to all relevant documents and staff.
- Oversight of all audit activities and internal control evaluation.
- Reviewing proposed specific transactions with related parties and making recommendations to the Board.
- Conducting any special investigations and reporting to the Board.

The Company has an internal audit function that reports to the Audit Committee.

Composition of Audit Committee

The Audit Committee comprises a chairman and three directors, all of whom are non-executive and independent directors. The committee members are knowledgeable in finance, industry, and laws and regulations governing SAOG companies.

Audit Committee Meetings

The Audit Committee met six times in 2024, as detailed below:

1. 15 February 2024
2. 25 April 2024
3. 28 May 2024
4. 25 July 2024
5. 23 September 2024
6. 24 October 2024

The attendance record of the Audit Committee meetings was as follows:

S. No.	Director's name	Designation	Status	Meetings attended
1.	**Sultan Khalifa Saleh Al-Tai**	Chairman	Independent	6
2.	**Ibrahim Mohamed Hamed Al-Harthi**	Member	Independent	5
3.	**Abdullah Mohammed Ali Al-Mamari**	Member	Independent	6
4.	**Nabil Hamed Zahran Al-Mahrouqi**	Member	Independent	6

Executive Committee

Role of Executive Committee

The Executive Committee is delegated the powers and authority to facilitate the smooth running of the operations of the Company and to provide the Board with a mechanism for considering in-depth any issue that the Board considers requiring detailed attention. The Committee's main areas of competence are to review the following points:

- Strategic issues.
- Investment decisions.
- Treasury and liquidity management.
- Business plans and budgets.
- Major changes in policies and procedures.
- Proposals for new business areas.
- Progress reviews.
- Staff matters.
- Other matters referred by the Board to the Committee.

Composition of Executive Committee

The Executive Committee comprises a chairman and three directors; all are independent.

Executive Committee Meetings

The Executive Committee met six times in 2024, as detailed below:

1. 18 February 2024
2. 21 April 2024
3. 28 July 2024
4. 27 October 2024
5. 17 November 2024
6. 22 December 2024

The attendance record of the Executive Committee meetings was as follows:

S. No.	Director's name	Designation	Status	Meetings attended
1.	**His Highness Sheikh Mohammed Bin Sultan Al-Nahyan**	Chairman	Independent	6
2.	**Dr. Saif Salim Saif Al-Harthi**	Member	Independent	6
3.	**Abdullah Mohammed Ali Al-Mamari**	Member	Independent	6
4.	**Mohammed Saif Al-Kaabi**	Member	Independent	6

Nomination & Remuneration Committee

The Board established the Nomination and Remuneration Committee to assist and advise on the following matters:

- Establishing remuneration & incentive policy for Directors & Executive Management.
- Defining bonus policy for Executive Management.
- Appointment of skilled persons to the Board & Executive Management.
- Succession planning for Directors & Executive Management.

The Remuneration and Nomination Committee comprises a chairman and two Directors; all are independent.

The Nomination & Remuneration Committee met three times in 2024, as detailed below:

1. 21 January 2024
2. 8 June 2024
3. 13 October 2024

The attendance record of the Committee meetings was as follows:

S. No.	Director's name	Designation	Status	Meetings attended
1.	**Ibrahim Mohamed Hamed Al-Harthy**	Chairman	Independent	3
2.	**Mohammed Saif Al-Kaabi**	Director	Independent	3
3.	**Nabil Hamed Zahran Al-Mahrouqi**	Director	Independent	3

Remuneration of Directors

Sitting fees are paid to the Board and committee members to take account of the additional work involved. The details of sitting fees are shown below:

- Board Meetings – RO 800 per meeting.
- Audit Committee Meetings – RO 600 per meeting.
- Executive Committee Meetings – RO 600 per meeting.
- Nomination & Remuneration Committee sitting fee – RO 600 per meeting.

Details of total sitting fees for the year are given below:

1.	Total sitting fees of the Board of Directors meetings	RO 38,200
2.	Total sitting fees of the Audit Committee meetings	RO 13,800
3.	Total sitting fees of the Executive Committee meetings	RO 12,600
4.	Total sitting fees of the Nomination & Remuneration Committee meetings	RO 5,400
	Total sitting fees	**RO 70,000**

The total sitting fees paid to each director did not exceed OMR 10,000, and the proposed total remuneration for the year amounts to OMR 150,000, both of which comply with the requirements of the Commercial Companies Law No. (18/2019).

Management Remuneration

During the year 2024, the total salaries, perquisites, and other benefits of the top five executives in the company amounted to RO 715,544.

Corporate Social Responsibility (CSR)

As a responsible Omani company, the Company consistently contributes to projects that benefit the community.

In 2024, the Company demonstrated its commitment to social responsibility by implementing several initiatives that benefited the community. The Company focused on addressing societal needs through contributions to education, healthcare, and charitable organizations, reinforcing its role as a responsible corporate entity.

Shareholders

The shareholders who owned 5% or more of the share capital of the Company as of 31 December 2024 were as follows:

Sl No	Shareholder's name	% Of shareholding	Number of shares held
1.	**ABS Lubricants**	40%	27,600,000
2.	**Social Protection Fund**	9.954%	6,867,985
3.	**Mohammed Hamed Mohammed Al-Harthy**	5.696%	3,929,990
	Total	**55.650 %**	**38,397,975**

Distribution of shareholding

Category of shares	Number of shareholders	Number of shares	% of shareholding
Up to 5,000	1018	1,621,896	2.4%
5,001 - 30,000	335	2,670,460	3.9%
30,001 -50,000	23	963,655	1.4%
50,001 - 100,000	16	1,128,748	1.6%
100,001 - 400,000	16	2,976,620	4.3%
Above 400,000	23	59,638,621	86.4%
Total	**1,431**	**69,000,000**	**100%**

Dividend policy

The Board of Directors will maintain a sustainable dividend policy that will address the financial strength of the Company, support its long-term strategies, and, at the same time, pay a reasonable dividend to the shareholders in compliance with the Commercial Companies Law (18/2019).

Communication with shareholders

The annual and quarterly financial statements are published in two newspapers (Arabic and English). All information relating to the Company, including news and financial results, is available on the Company's website and the Muscat Stock Exchange website. The Annual General Meeting offers an additional opportunity for the directors to meet with shareholders.

The annual report includes management discussions and analysis reports.

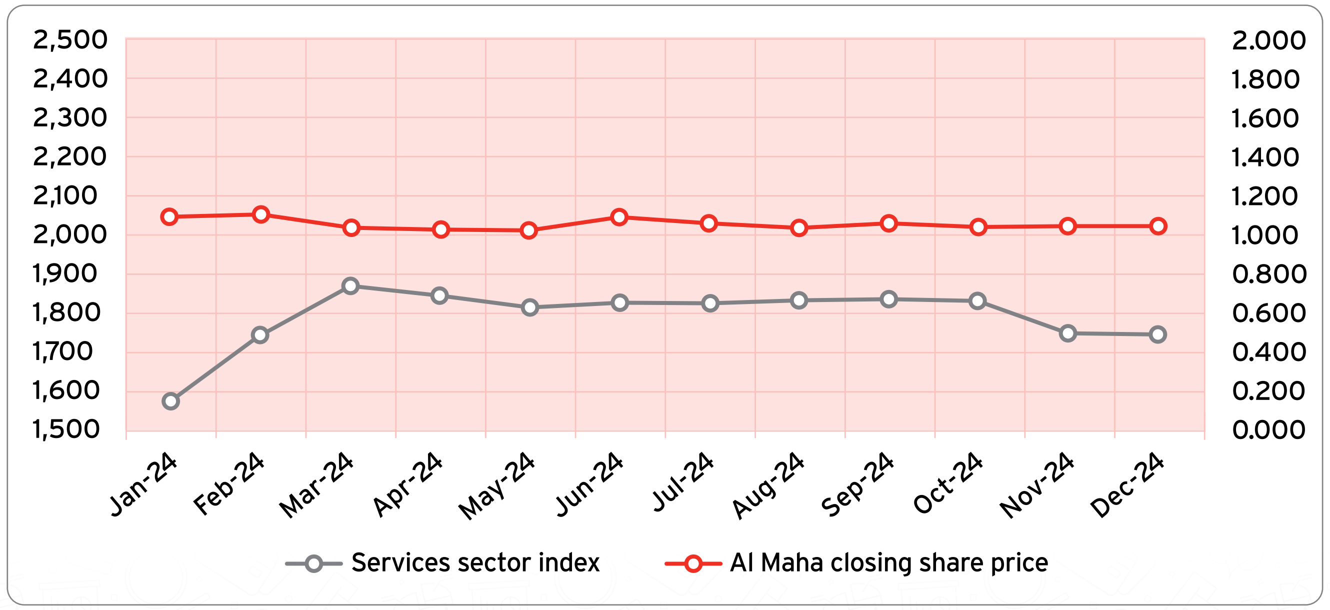
The Company had no GDRs/ADRs/Warrants or other convertible warrants as of 31 December 2024, so the impact on equity is nil.

Market price data

The monthly market prices for 2024 are shown in the following table:

Month	High RO/ share	Low RO/ share	Close RO/ share
January	1.090	1.030	1.090
February	1.120	1.060	1.100
March	1.120	1.060	1.030
April	1.030	1.000	1.020
May	1.086	1.000	1.020
June	1.090	1.020	1.090
July	1.090	1.020	1.050
August	1.070	1.050	1.030
September	1.070	1.040	1.050
October	1.041	1.036	1.037
November	1.060	1.037	1.040
December	1.090	1.040	1.041

Performance in comparison to the MSX services sector index



Statutory auditors

EY is a global leader in assurance, tax, strategy & transactions, and consulting services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers help build trust and confidence in the capital markets and in economies the world over.

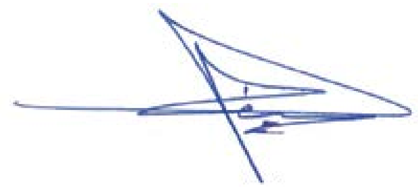
The MENA practice of EY has been operating in the region since 1923. For over 100 years, we have grown to over 8,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit ey.com for more information about EY.

Details of non-compliance with the provisions of Corporate Governance

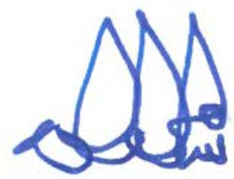
The Company complies with the Code of Corporate Governance provisions, with no penalties imposed by FSA/MSX during this report's period.

Acknowledgement by the Board of Directors

1. The Board of Directors is responsible for approving financial statements that show the Company's actual financial status.
2. The Board oversees the Company's internal controls, managing risks and assuring against misstatements or loss.
3. The Board reviewed the internal controls and is satisfied with their efficacy in implementing the Code's requirements. The Board believes there are no material issues affecting the Company's continuity for the financial year ending on 31 December 2025.



Chairman



Director

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Management Discussions and Analysis

Executive Summary

In 2024, Al Maha Petroleum Products Marketing Company S.A.O.G (the "Company"), delivered a strong performance by continuing its expansion strategies and further strengthening its market share, despite economic challenges and shifts in the energy sector. The Company achieved notable growth across its various segments, with the retail segment growing by 6%, driven by network expansion and the launch of innovative digital services such as the "Al Maha Plus" application. The commercial segment recorded a 10% increase, supported by new contracts with key clients, while the aviation segment maintained stable performance despite a decline in demand from a major customer. The lubricants segment grew by 7%, fueled by the increasing demand for the new "AMPRO" brand.

In line with its commitment to sustainability, the Company enhanced its quality, health, safety, and environmental (QHSE) standards and continued investing in human resource development, achieving an Omanization rate of 92%.

Looking ahead, the Company aims to enhance its operational flexibility, explore new regional expansion opportunities, and focus on digital transformation, revenue diversification, and operational efficiency to ensure sustainable growth in an ever-evolving business environment.

Business & Objectives

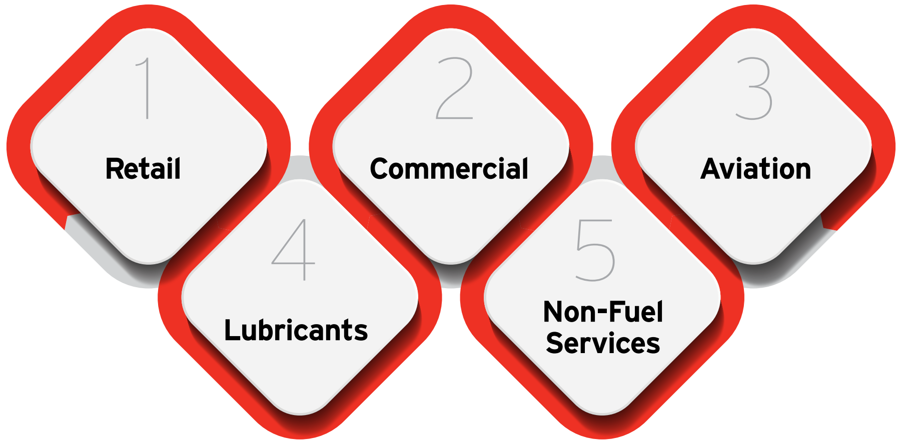
The Company primarily focuses on the distribution and supply of petroleum products, including gasoline (M95 and M91), diesel, jet fuel, kerosene, lubricants, and non-fuel-related services associated with fuel stations. It continuously strives to provide the best services to meet the evolving demands of the energy sector.

The Company's primary objectives are:

1. To consistently enhance shareholder value and ensure equitable, stable returns.
2. To strengthen market presence and tackle competitive challenges across all sectors.
3. To elevate the corporate reputation through improved customer service and enhanced brand recognition.
4. To actively recruit and develop Omani youth, nurturing their professional growth.
5. To maintain a stringent commitment to Quality, Health, Safety and Environment (QHSE).

Business Operations

The Company operates its business through the following segments:



Business Environment Analysis

The business environment in the Sultanate of Oman is undergoing significant changes, driven by economic reforms and transformation in the energy sector. These developments present both opportunities and challenges for companies like Al Maha. The following points highlight key factors shaping both the current and future landscape:

1. Economic Factors

- **Macroeconomic Stability:** Oman Vision 2040 reforms have helped strengthen financial stability to foster a more attractive environment for both local and foreign investors. This stability promotes private-sector engagement across various industries.

- **Government Subsidy Policies:** The government currently subsidizes electricity, water, fuel, and essential commodities to keep prices stable and inflation in check. However, as part of broader economic diversification efforts, reliance on subsidies may gradually decrease over time. Reduced subsidies would likely lead to higher operating costs and changes in consumption patterns and consumer purchasing power, underscoring the need for adaptable, diversified business models. Petroleum marketing companies that invest in non-fuel revenue (NFR) streams—such as convenience stores, quick-service restaurants, and value-added services will be better positioned to manage these potential challenges and maintain long-term viability.

- **Rising Operating Costs:** Global oil price fluctuations and escalating operational expenses are already exerting pressure on profit margins. This immediate challenge calls for proactive hedging strategies, rigorous cost management, and strong financial controls. By optimizing operations and closely monitoring expenses, companies can preserve profitability and build resilience against ongoing market volatility.

2. Energy Sector Transformation and Competition

- **Transition to Clean Energy:** The growing global and regional focus on renewable energy sources necessitates that petroleum marketing companies explore opportunities in alternative fuels, additional revenue streams, and operational efficiency enhancements.

- **Intensified Competition:** Companies face high levels of competition, making it crucial to enhance operational efficiency and offer value-added services to maintain market share, particularly in the retail and commercial segments.

- **Changing Consumption Patterns:** The increase in registered vehicles in Oman and the rising demand for smart fuel solutions such as "Al Maha Plus," loyalty programs, and fuel delivery services "Fuely" highlight the need for sustainable strategies to ensure customer loyalty and strengthen market positioning.

3. Operational Factors Influencing the Performance of the Company's Business Segments

- **Retail Segment:** This segment benefits from strategic expansion in the fuel station network and investments in non-fuel products and digital solutions, contributing to improved performance and sustainable growth.

- **Commercial Segment**: Despite the challenges arising from competition among companies in the segment, the Company has successfully secured new contracts and diversified its customer base, driven by the growth momentum in the Sultanate.

- **Aviation Segment:** This segment is influenced by the performance of global airlines, diversification of the customer portfolio, strategic partnerships, and fuel price fluctuations, requiring the development of flexible strategies to mitigate risks.

- **Lubricants Segment**: This segment is experiencing growth driven by increased demand for high-performance lubricants, supporting the Company's strategy to diversify its products and services.

- **Non-Fuel Services Segment:** This segment is experiencing steady growth to align with consumption patterns and the optimal utilization of station locations. The Company is actively working on expanding service center activities and enhancing their quality.

4. Future Trends and Adaptation Strategies

- **Regional Expansion:** Entering new markets presents growth opportunities, particularly as large-scale infrastructure projects continue across the region.

- **Digital Transformation:** Leveraging big data and artificial intelligence in operations and customer experience management will enhance operational efficiency and competitiveness.

Conclusion

Amid these economic and competitive shifts, Al Maha Petroleum continues to adopt a comprehensive strategic approach that focuses on enhancing operational flexibility, investing in digital transformation, and diversifying revenue sources, while expanding into regional markets and capitalizing on emerging opportunities in the energy sector. The Company is also developing sustainable business models that respond to shifts in demand, ensuring enhanced operational efficiency and achieving sustainable growth in an evolving business environment.

Performance Breakdown Of The Company's Business Segments

1. Retail Segment

In 2024, the retail segment remained the primary revenue driver, achieving a notable 6% growth in performance. Throughout the year, the segment recorded several key achievements, summarized as follows:

- The Company has signed major investment agreements to develop integrated fuel stations and modern commercial centers in strategic locations. These include two agreements within Sultan Haitham City, an agreement with the Ministry of Culture, Sports, and Youth in South Al-Ghubrah, and the "Al-Ghubrah Front" agreement with Saud Bahwan Group. This initiative aligns with the Company's efforts to drive growth and establish itself as a prominent and influential brand in both the local and regional markets.

- The Company expanded its network by inaugurating five new fuel stations, bringing the total to 252 across Oman. Additionally, eight existing stations underwent significant upgrades and enhancements, further improving service quality and enhancing customer experience.

- Introduced new convenience stores and service centers to strengthen the retail segment, diversify non-fuel revenue streams, and provide exceptional customer service.

- The Company launched the "Al-Maha Plus" smart application as part of its efforts to enhance the customer experience, contributing to increased sales.

- In 2024, 'Fuely' sales experienced solid growth due to the increasing demand for fuel delivery services at commercial customer sites.

- Retail sales saw a notable increase due to effective promotional campaigns attracting customers and boosting sales.

Future Outlook for the Retail Segment:

The retail segment is poised for a new phase of growth and development, driven by continuous investments in expansion, digital transformation, and service enhancement. With increasing demand for smart services and innovative fuel solutions, the Company is focused on expanding its network, developing digital sales channels, and optimizing operations to deliver more flexible and innovative services. Additionally, the Company will continue exploring new opportunities to diversify non-fuel revenue (NFR) streams and strengthen its position in both local and regional markets, in line with its strategic vision for sustainable growth

2. Commercial Segment

The commercial segment, which represents wholesale sales, is the second-largest business segment within the Company. Despite the competitive market challenges, the Company successfully achieved 10% growth during the year, demonstrating its ability to adapt and capitalize on available opportunities.

This growth was driven by new contracts with key clients in the construction and energy sectors, expanding the customer base and increasing demand for the Company's products and services. Additionally, the company focused on strengthening commercial relationships, providing customized solutions to meet client needs, and expanding its commercial services through improved delivery services and flexible payment options, which helped attract new customers and enhance loyalty among existing ones.

Future Outlook for the Commercial Segment:

The segment's growth prospects remain promising, supported by increased government spending and foreign investments in infrastructure projects, which will stimulate commercial activity and drive expansion in line with ambitious economic and development plans. In this context, the Company continues to enhance strategic partnerships, diversify its customer base, and improve operational efficiency to maximize emerging opportunities.

As part of its growth strategy, the Company continues to expand its commercial services through reliable and dynamic solutions that align with market developments, including the expansion of its bunkering operations and strengthening its presence in the shipping and maritime transport sector. Additionally, the Company is working to improve logistics services and adopt advanced technologies to strengthen its flexibility and competitiveness, further solidifying its position as a leading provider of integrated commercial solutions.

3. Aviation Segment

The aviation segment is a key pillar of the Company's revenue, reinforcing its position as a trusted partner in the industry. However, the segment faces challenges related to fuel price fluctuations and declining demand from key customers, requiring the Company to implement flexible strategies to ensure stability.

Despite these challenges, the Company successfully maintained stable performance compared to 2023, leveraging effective strategies to offset the decline, including increasing sales to other commercial airlines. Additionally, diversifying the customer base has helped reduce reliance on major clients and enhance segment stability.

Future Outlook for the Aviation Segment:

Global air transport is expected to grow by 6.2% worldwide, 8.6% in the Middle East, and 9.1% in Asia-Pacific in 2025, reflecting continued recovery and a return to pre-pandemic demand levels. Positive growth is projected to continue in the coming years, with the global aviation segment expected to expand by 5% in 2026 and 4.1% in 2027, while the Middle East is forecasted to grow by 7.9% in 2026 and 5.9% in 2027, reinforcing the region's growing role as a key hub for the aviation industry.

In light of these projections, the Company is focused on developing strategic partnerships with airlines and enhancing its services to support the increasing demand for air transport. Additionally, it is working to strengthen its operational capabilities and implement advanced mechanisms to enhance performance and ensure supply reliability, further solidifying its position as a strategic provider in the aviation segment.

4. Lubricants Segment

The Company's lubricants segment achieved significant sales volume growth compared to last year's period, driven by strong demand for the new 'AMPRO' brand and the successful execution of expansion strategies through new distribution channels. This growth highlights the Company's success in reinforcing its market presence and expanding its customer base.

Future Outlook for the Lubricants Segment:

Projections indicate continued growth in the lubricants market across the Middle East, driven by the expansion of industrial sectors and increasing demand for high-performance lubricants, particularly in transportation, energy, and manufacturing. Additionally, infrastructure projects and advancements in the logistics sector are expected to further boost consumption, creating new growth opportunities.

In this context, the Company continues to develop its product portfolio and expand its distribution network to access new markets. It is also focused on strengthening strategic partnerships and investing in optimizing production and supply chain operations to ensure sustainable growth and adapt to the evolving market landscape.

5. Non-Fuel Services Segment

This segment witnessed significant development in 2024, directly contributing to the Company's profit growth and service enhancement. The focus was on opening numerous comprehensive service centers in collaboration with specialized companies, which also led to an increase in fuel sales and strengthened the Company's brand.

Quality, Health, Safety and Environment (QHSE)

In 2024, the Company reinforced its unwavering commitment to Quality, Health, Safety, and Environment (QHSE) principles, recognizing them as integral to its operational strategies and corporate responsibility. This commitment was reflected in the enhancement of safe and healthy work environments, the achievement of high environmental performance standards, and strict compliance with Sultanate of Oman regulations and laws and international regulations, all of which contribute to the sustainability of its diverse operations.

Sustainability and Environmental Responsibility:

Aligned with its sustainable growth strategy, the Company expanded its services, delivering reliable and environmentally compliant fuel solutions to the industry. This expansion represents a step towards minimizing environmental impact and improving operational efficiency by adopting responsible emissions management practices and waste control measures. The Company also continues to evaluate and integrate innovative technologies to enhance energy efficiency and reduce environmental footprints across all its operations.

Compliance with Standards and Proactive Risk Management:

The Company has implemented a rigorous QHSE compliance framework across all organizational levels, conducting regular audits and reviews to align with strategic objectives and adhere to international standards and best practices in the energy and logistics sectors. This dedication is demonstrated by its continued certification in ISO 9001 (Quality), ISO 45001 (Health & Safety), and ISO 14001 (Environmental Management), underscoring its integration of QHSE values into all aspects of its business.

Training and Building a Culture of Prevention:

Recognizing the crucial role of human capital in operational excellence, the Company focused on training programs in 2024 to promote QHSE awareness among employees. These programs focused on developing skills across all segments, enhancing awareness of operational risks, and implementing effective emergency response strategies. Additionally, the Company has adopted a proactive risk assessment methodology, ensuring regular performance evaluations and fostering a culture of continuous improvement.

Sustainability as a Core Vision:

The Company remains committed to embedding QHSE principles into its long-term strategies, leveraging technological solutions to reduce carbon footprints, optimize resource efficiency, and strengthen strategic sustainability partnerships. Through this approach, the Company contributes to a more sustainable and competitive business environment, reinforcing its position as a responsible and industry-leading enterprise.

Human Resources

Human capital is the cornerstone of the Company's success, as it firmly believes that developing competencies and enhancing skills are essential to achieving strategic objectives and ensuring sustainable growth. Guided by this principle, the Company places significant emphasis on investing in human capital through strategic human resource development plans aimed at empowering employees, fostering a dynamic work environment, and driving high performance.

Empowerment and Professional Development:

In 2024, the Company launched a series of high-impact initiatives focused on enhancing employee engagement and preparing them for future challenges. These initiatives included specialized training programs, leadership development plans, and strategies to stimulate creativity and innovation, contributing to the creation of a dynamic workplace that fosters excellence and supports a high-performance culture. The Company has also embraced modern talent management practices, such as competency-based career development and continuous learning, ensuring that its workforce remains well-equipped to adapt to evolving market demands.

Commitment to Omanization and Talent Acquisition:

Reaffirming its dedication to developing local talent, the company achieved a significant milestone in 2024 by reaching an Omanization rate of 92%, reflecting its success in attracting and nurturing Omani professionals while contributing to national economic development. This was made possible through initiatives aimed at enhancing technical and managerial skills among Omanis and providing career advancement opportunities aligned with industry growth.

Future Vision for Human Capital Development:

Amid rapid changes in the job market, the Company is continuously refining its human resource strategies to ensure a balance between operational efficiency and future workforce needs. This includes investing in digital HR technologies, adopting continuous learning strategies, and fostering high levels of employee motivation and engagement. Through these efforts, the Company remains committed to enhancing its adaptability to market challenges and securing long-term success by building a highly skilled and future-ready workforce.

Milestones and Awards

Milestones - 2024

As part of its ongoing commitment to excellence and strengthening its position in the petroleum marketing sector, Al Maha has continued to achieve significant milestones across various areas, driven by its expansion strategies and operational innovations. The Company has also received widespread recognition from relevant entities, earning several awards that reflect its dedication to quality, operational efficiency, and sustainability.

This section highlights the key achievements accomplished during the year, along with the awards and recognitions received in appreciation of the Company's contributions to the sector.

January

Strategic Investment Agreement – "Al-Ghubrah Front": Signed an agreement with Saud Bahwan Group to develop Al-Ghubrah Front, a commercial, recreational, and service hub spanning 24,000 sqm with a total investment of RO 5 million.

February

Fuel Supply Agreement – Tanweer: Secured a contract with Rural Areas Electricity Company (Tanweer) for the supply and delivery of fuel to its station in South Al Sharqiyah.

Provide Refuelling Service at Duqm Airport: Al Maha Petroleum Products Marketing Company SAOG provides refuelling services at Duqm Airport after receiving an award letter from Oman Airports Company.

Source: www.duqmairport.co.om

June

Launch of the "Al Maha Plus" Application: The application introduced the Al Maha Rewards loyalty program, featuring exclusive discounts, a smart station locator, secure transactions, virtual wallets, NSS solutions, and fuel card top-ups.

Investment Agreement – Ministry of Culture, Sports, and Youth: Signed an agreement to develop commercial and service facilities in South Al Ghubrah and Bausher, covering 18,000 sqm, with an investment of RO 4 million.

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September

Franchise Agreement – Scope Fuel LLC (Saudi Arabia): A 20-year franchise contract allowing Scope Fuel LLC to operate and manage Al Maha-branded fuel stations in Saudi Arabia.

October

Investment Agreements – Ministry of Endowments and Religious Affairs: Signed two agreements to develop smart fuel stations as part of the Al-Bar wa Al-Ihsan project in Sultan Haitham City, announced at the Fourth October Urban Development Conference, valued at RO 1.5 million.

December

Expansion of Fuel Station Network: Inaugurated five new fuel stations in 2024, increasing its network to 252 stations, maintaining its position as the leading fuel station network in Oman.

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Awards - 2024

May

Oman's Strongest Brands Award: Awarded based on a survey conducted by Alam Al Iktisaad Magazine in collaboration with the Arabian Research Bureau.

September

Best Finance Team of the Year Award: The Company received the Best Finance Team of the Year award in the Oil and Gas category at the Oman CFO Forum. The award recognizes the team's outstanding contributions to financial performance, strategic growth, and operational excellence among fuel marketing companies in Oman.

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CEO of the Year Award – AAPG International Conference and Exhibition 2024:

Eng. Hamed Al Maghdri, CEO of Al Maha, was honored during the inaugural edition of the AAPG International Conference and Exhibition 2024 in the Middle East, in recognition of his outstanding efforts in leading the Company's digital transformation and fostering innovation in the petroleum marketing sector, as well as his role in advancing digital operations and achieving sustainable excellence in this field.

December

CEO of the Year Award in the Petroleum Marketing Sector – Business Today CXO Awards:

Eng. Hamed Al Maghdri was awarded the CEO of the Year at the Business Today CXO Awards, in recognition of his exceptional leadership and strategic vision and promoting sustainable growth.

Oman's Most Trusted Brand Award 2024: Al Maha was voted the winner in the Fuel Station category for the Oman's Most Trusted Brand Awards 2024.

STATUTORY AUDITORS

During 2024, the Company appointed Ernst & Young (EY) as its external auditor and tax consultant. EY is globally recognized for delivering high-quality professional services, including auditing, tax advisory, strategic consulting, transaction advisory, and management consulting.

The total fees paid to EY for services rendered during 2024 amounted to OMR 26,150, detailed as follows:

- Audit Services: OMR 24,500
- Tax Advisory Services: OMR 1,650

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Audited Financial Statements

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PR No. HMH/15/2015; HMA/9/2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Maha Petroleum Products Marketing Company SAOG (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 27(b) to the financial statements, which sets out the status of a claim against the Company from a fuel supplier. The Board of Directors based upon a review of documents and records available, believes that the Company has a firm legal basis and there will not be any significant liability on the Company. Therefore, the Company has not recognized any provisions in this regard in these financial statements. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG (CONTINUED)

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit loss allowance for trade receivable As at the year end, the Company had trade receivables of RO 79,880 thousand which comprises 51 % of total assets in the statement of financial position. The determination as to whether a trade receivable is collectable involves management judgement. Specific factors management considers include the age of the balance, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. We focused on this area because it requires a high level of management judgement and due to the materiality of the amounts involved. The accounting policies, estimates and assumptions and disclosures relating to expected credit loss allowance for trade receivable are set out in notes 2.2 (I), 3.4 and 14 to the financial statements, respectively.	Our audit procedures in this area included the following: - We obtained an understanding of the methodology and process followed by the management for computing expected credit losses (ECL) and performed walkthrough tests to confirm our understanding. - We evaluated the management's methodology against the requirements of IFRS-9 Financial Instruments. - We evaluated the completeness, accuracy and relevance of data used in the ECL model and assumptions and judgments used by management by comparing to historical collection trends. - We independently recomputed the ECL, using our internal experts and compared the required ECL against management's ECL amount. - We assessed the adequacy and appropriateness of the disclosures in the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG (CONTINUED)

Report on the audit of the financial statements (continued)

Other information included in the Company's 2024 Annual Report
Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. We obtained the following information prior to the date of our auditor's report, and we expect to obtain the published 2024 Annual Report after the date of our auditor's report:

- Directors' report
- Corporate governance report
- Management discussion and analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Audit Committee for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 and the Financial Services Authority (the "FSA") of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

We report that the financial statements comply, in all material respects, with the relevant requirements of the Commercial Companies Law of 2019 and FSA of the Sultanate of Oman.

Ernst & Young

Mohamed Al Qurashi
Muscat
26 February 2025

إرنست ويونغ ش م م
ص.ب: ١٧٥٠ روي - ١١٢، سلطنة عمان
س.ت: ١٢٢٤٠١٣
EY ERNST & YOUNG LLC
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P.O. Box 1750 - P.C. 112, Sultanate of Oman

A member firm of Ernst & Young Global Limited

ANNUAL REPORT 2024

Statement of Financial Position

As at 31 December 2024

	Notes	2024 RO'000	2023 RO'000
Assets			
Non-current assets			
Property, plant and equipment	9	**29,719**	29,428
Investment properties	10	**400**	447
Right-of-use assets	11	**6,409**	6,296
Contract assets	12	**2,820**	2,643
Deferred tax assets	8	**2,312**	2,776
		41,660	41,590
Current assets			
Inventories	13	**4,260**	4,013
Trade and other receivables	14	**76,789**	76,560
Contract assets	12	**1,349**	1,952
Short term deposits	15 (b)	**10,000**	-
Cash and bank balances	15 (a)	**21,970**	42,389
		114,368	124,914
TOTAL ASSETS		**156,028**	166,504
Equities and liabilities			
Equity			
Share capital	16	**6,900**	6,900
Legal reserve	17	**2,300**	2,300
Special reserve	18	**2,104**	2,104
Retained earnings		**36,503**	36,672
Total equity		**47,807**	47,976
Non-current liabilities			
Lease liabilities	11	**6,459**	6,152
Employees' end of service benefits	19	**276**	251
		6,735	6,403
Current liabilities			
Trade and other payables	20	**52,325**	49,192
Contract liabilities	12	**1,444**	1,444
Interest-bearing loans and borrowings	21	**46,444**	59,559
Lease liabilities	11	**681**	659
Income tax payable	8	**592**	1,271
		101,486	112,125
Total liabilities		**108,221**	118,528
TOTAL EQUITY AND LIABILITIES		**156,028**	166,504
Net assets per share (RO)	25	**0.693**	0.695

These financial statements were approved and authorized for issue by the Board of Directors on 23 February 2025 and signed on their behalf by:

CHAIRMAN

DIRECTOR

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RO'000	2023 RO'000
Revenue	4	**514,400**	493,810
Cost of sales		**(486,037)**	(465,909)
Gross profit		**28,363**	27,901
Other operating income	5	**6,784**	6,578
Operating expenses	6.1	**(24,715)**	(24,007)
Administrative and general expenses	6.2	**(1,736)**	(1,923)
Operating profit		**8,696**	8,549
Finance costs	7	**(2,730)**	(2,838)
Finance income		**1,094**	1,792
Profit before tax		**7,060**	7,503
Income tax expense	8	**(1,019)**	(1,190)
Profit and total comprehensive income for the year		**6,041**	6,313
Basic and diluted earnings per share (RO)	26	**0.088**	0.091

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital RO'000	Legal reserve RO'000	Special reserve RO'000	Retained earnings RO'000	Total RO'000
At 1 January 2023	6,900	2,300	2,104	36,224	47,528
Profit and total comprehensive income for the year	-	-	-	6,313	6,313
Cash dividends (note 22)	-	-	-	(5,865)	(5,865)
At 31 December 2023	6,900	2,300	2,104	36,672	47,976
Profit and total comprehensive income for the year	-	-	-	**6,041**	**6,041**
Cash dividends (note 22)	**-**	**-**	**-**	**(6,210)**	**(6,210)**
At 31 December 2024	**6,900**	**2,300**	**2,104**	**36,503**	**47,807**

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 RO'000	2023 RO'000
Operating activities			
Profit before tax		**7,060**	7,503
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	9	**3,418**	3,406
Depreciation of investment properties	10	**47**	47
Depreciation of right-of-use assets	11	**1,054**	970
Amortisation of contract assets	12	**220**	220
Allowance for expected credit losses on contract assets	12	**86**	1
(Reversal) / provision for slow moving and obsolete inventories	13	**(59)**	32
Allowance for expected credit losses on trade receivables	14	**285**	276
(Reversal) / allowance for expected credit losses on bank balances	15	**(163)**	39
Accruals for employees' end of service benefits	19	**41**	40
Allowance / (reversal) for impairment of property, plant and equipment	9	**67**	(197)
Loss / (gain) on disposal of property, plant and equipment		**8**	(5)
Finance income		**(1,094)**	(1,792)
Finance costs	7	**2,730**	2,838
Operating cash flows before working capital changes		**13,700**	13,378
Working capital changes:			
Inventories		**(188)**	(221)
Trade, other receivables and contract assets		**35**	(7,007)
Trade, other payables and contract liabilities		**3,133**	(2,172)
Operating cash flows after working capital changes		**16,680**	3,978
Employees' end of service benefits paid	19	**(16)**	(24)
Income tax paid	8	**(1,234)**	(1,147)
Net cash flows from operating activities		**15,430**	2,807
Investing activities			
Proceeds from sale of property, plant and equipment		**47**	18
Purchases of property, plant and equipment	9	**(4,097)**	(4,459)
Short term deposits		**(10,000)**	-
Finance income received		**1,094**	1,792
Net cash flows used in investing activities		**(12,956)**	(2,649)
Financing activities			
Payment of principal and interest of lease liabilities	11	**(1,271)**	(1,387)
Proceeds from borrowings	21	**550,285**	586,420
Repayment of borrowings	21	**(563,400)**	(569,761)
Finance costs paid		**(2,297)**	(2,417)
Dividend paid	22	**(6,210)**	(5,865)
Net cash flows (used in) / from financing activities		**(22,893)**	6,990
Net (decrease) / increase in cash and bank balances		**(20,419)**	7,148
Cash and bank balances at 1 January		**42,389**	35,241
Cash and bank balances at 31 December	15	**21,970**	42,389

Note: Certain capital work in progress have been transferred to contract assets at cost of RO 266 (2023: Nil) (note 9).

1. Legal status and principal activities

Al Maha Petroleum Products Marketing Company SAOG (the "Company") is a public joint stock company registered under the Commercial Companies Law of 2019 of the Sultanate of Oman. The shares of the Company are listed on Muscat Stock Exchange. The principal activity of the Company is the marketing and distribution of petroleum products. 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. Material accounting policy information

The material accounting policies are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019 and the Financial Services Authority ("FSA") of the Sultanate of Oman.

b) Basis of measurement

The financial statements have been prepared on the historical cost convention.

c) Presentation and functional currency

These financial statements are presented in Rial Omani ("RO"), which is the Company's functional currency. All financial information presented in Rial Omani has been rounded to nearest thousands, unless otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern (note 3.1).

2.2 Summary of accounting policies

a) Revenue from contracts with customers

The Company's principal activity is marketing and selling fuel and petroleum products.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of fuel and petroleum products

Revenue from sale of petroleum products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The Company's terms of sales require amounts to be paid on average of 30-90 days from the date of delivery.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

a) Revenue from contracts with customers (continued)

Sale of fuel and petroleum products (continued)

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebate

The Company applies rebate to certain customer contracts as per agreed terms with the customers in the contracts. The Company account for the rebates considering it as variable consideration.

b) Directors' remuneration

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

c) Employees' end of service benefits

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 Labor Law. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising 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.

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

d) Income tax

Taxation is provided based on relevant tax laws of the Sultanate of Oman in which the Company operates.

Current tax is 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 tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

d) Income tax (continued)

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

Subsequent expenditure

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

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

	Years
Buildings and roads	7 - 20
Plant and equipment	3 - 20
Motor vehicles	3 - 7
Furniture and fixtures	3- 20

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

e) Property, plant and equipment (continued)

Capital work-in-progress is stated at cost less impairment. When the underlying asset is available for use in its intended condition and location, work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with depreciation policy of the Company.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, the Company determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Company's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on the Company's assets on fuel stations.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

g) Investment properties

Property held to earn rentals and/or for capital appreciation and not yet occupied by the Company has been classified as investment property. Investment property is accounted for under cost model and are measured initially at cost, including transaction costs and is accordingly stated at cost less accumulated depreciation. The cost of investment property is its purchase price together with any incidental expenses. The cost of investment property is written down to residual value in equal installments over the estimated useful lives of 20 years.

Where the carrying amount of an investment property is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Rental income on investment property and repairs and maintenance expenses relating to the investment property are recognised in the statement of comprehensive income.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

h) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who manages the Company on a day-to-day basis, as per the directives given by the Board of Directors that makes strategic decisions.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

The cost of inventories is determined using the first-in-first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Provision is made where necessary for obsolete, slow moving and defective items, based on management's assessment.

j) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract costs

Contract costs is the cost incurred to fulfil the contract and the relating assets must be amortised on a systematic basis that is consistent with the Company's transfer of the related goods or services to the customer unless there are indications of impairment based on management's estimation of recoverability of contract costs.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

k) Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

l) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as following:

- Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables and cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

l) Financial assets (continued)

Derecognition (continued)

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables covering under IFRS 15, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

m) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of interest bearing loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, lease liabilities and interest bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost:

This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest (EIR) method. The effective interest method is the method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

m) Financial liabilities (continued)

Financial liabilities at amortised cost (continued) :

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

p) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provision for environment remediation, resulting from past operations or events, is recognised in the period in which an obligation to a third party arises and the amount can be reliably estimated. Measurement of liabilities is based on current legal requirements and existing technology.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from third parties, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

q) Dividends

Dividends are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are dealt with as a non-adjusting event after the reporting date.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

r) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

s) Fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

  For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

t) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

u) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

v) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right-of-use of the underlying assets.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

v) Leases (continued)

Company as a lessee (continued)

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of -use assets are subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Land	5 - 25

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. Material accounting policy information (continued)

2.2 Summary of accounting policies (continued)

w) Earnings per share (EPS)

Basic and diluted EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

2.3 New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the financial statements of the Company.

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

The IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

These amendments had no impact on the financial statements of the Company.

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

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments must be applied retrospectively. These amendments had no impact on the financial statements of the Company.

2. Material accounting policy information (continued)

2.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Lack of exchangeability – Amendments to IAS 21
- Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7

The Company is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

2.5 Climate related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment

When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets

The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Company's products.

2. Material accounting policy information (continued)

2.5 Climate related matters (continued)

- Fair value measurement

For investment properties, the Company considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Company believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements,which have the most significant effect on the amounts recognised in the financial statements.

3.1 Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3.2 Determining the lease term of contracts with renewal and termination options – Company as lessee

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

3.3 Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company establishes provisions, based on reasonable estimates, for possible consequences of finalization of tax assessments. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

3. Significant accounting judgements, estimates and assumptions (continued)

3.3 Taxes (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.4 Provision for expected credit losses of trade receivables and other provisions

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were RO 79,880 thousand (2023: RO 81,881 thousand) and the allowance for expected credit losses was RO 7,090 thousand (2023: RO 9,676 thousand).

Other provisions is recognised for expected claims if any based on management past experience and expectation that these cost might be incurred in the next financial year.

3.5 Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

3.6 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. Significant accounting judgements, estimates and assumptions (continued)

3.7 Net realisable value of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross petroleum products and raw materials were RO 4,522 thousand (2023: RO 4,334 thousand), with provisions for slow moving and obsolete inventories of RO 262 thousand (2023: RO 321 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

3.8 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to right-of-use and property, plant and equipment recognised by the Company.

4. Revenue

	2024	2023
	RO'000	RO'000
Revenue from sale of goods	**378,975**	357,123
Revenue from contract with customers	**135,425**	136,687
	514,400	493,810
Type of sales		
Retail	**378,975**	357,123
Commercial	**82,408**	78,221
Others	**53,017**	58,466
	514,400	493,810
Geographic market - domestic market	**514,400**	493,810
Timing of revenue recognition		
Goods transferred at a point in time	**514,400**	493,810

5. Other operating income

	2024	2023
	RO'000	RO'000
Reimbursement of transportation costs	**2,852**	2,704
Income from Muscat airport fuel farm	**934**	1,087
Rental - car wash and C - stores	**773**	597
Fuel card income	**741**	670
Reimbursement of manpower costs	**688**	637
Tankers rental income	**497**	590
Service income - filling stations	**22**	17
Advertisement income	**16**	21
Rental income from investment properties (note 10)	**3**	80
Others	**258**	175
	6,784	6,578

6.1. Operating expenses

	2024	2023
	RO'000	RO'000
Employee costs:		
Wages, salaries and other benefits	**6,631**	6,535
Contributions to defined contribution retirement plan	**484**	488
End of service benefits (note 19)	**41**	40
	7,156	7,063
Other operating expenses:		
Filling station operating expenses	**4,028**	3,740
Transportation expenses	**4,704**	4,761
License fees	**1,343**	1,269
Reversal for impairment of property, plant and equipment	**67**	(197)
Other operating expenses	**2,678**	2,728
	12,820	12,301
Depreciation and amortisation:		
Depreciation of property, plant & equipment (note 9)	**3,418**	3,406
Depreciation of right-of-use assets (note 11)	**1,054**	970
Depreciation of investment property (note 10)	**47**	47
Amortisation of contract assets (note 12)	**220**	220
	4,739	4,643

	24,715	24,007

6.2. Administrative and general expenses

	2024	2023
	RO'000	RO'000
Legal, professional and registration expenses	**400**	357
Sales promotion expenses	**320**	288
Vehicle maintenance expenses	**308**	270
Directors' remuneration and sitting fees (note 23)	**220**	370
Allowance for expected credit losses [note 12,14 and 15(b)]	**208**	316
Other administrative expenses	**280**	322
	1,736	1,923

7. Finance costs

	2024	2023
	RO'000	RO'000
Interest on interest bearing loans and borrowings	**2,297**	2,408
Interest on contract liabilities	**-**	9
Accretion of interest on lease liabilities (note 11)	**433**	421
	2,730	2,838

8. Income tax

	2024	2023
	RO'000	RO'000
Income tax expense comprises of the following:		
Current taxation charge:		
Current tax expense	**555**	1,225
Deferred taxation:		
Deferred tax for the year	**464**	(35)
	1,019	1,190

The Company is liable to income tax in accordance with the income tax law of the Sultanate of Oman at the enacted tax rate of 15% on taxable income. For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes relating to both income and expense items. After giving effect to these adjustments, the average effective tax rate is estimated to be 8.34% (2023: 16.40%). Tax provision movement is as follows:

8. Income tax (continued)

	2024	2023
	RO'000	RO'000
At 1 January	**1,271**	1,193
Income tax expense for the year	**555**	1,225
Paid during the year	**(1,234)**	(1,147)
At 31 December	**592**	1,271

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rate with the income tax expense for the year:

	2024	2023
	RO'000	RO'000
Accounting profit before tax	**7,060**	7,503
Tax on accounting profit before tax at 15% (2023: 15%)	**1,059**	1,125
Add tax effect of:		
(Deductible) / non-deductible expenses – net	**(504)**	100
Tax charge for the year	**555**	1,225

The Company's tax assessment for the year 2018 has been taken up by the Oman Tax Authority and the Company has been issued a demand for payment of additional tax charge of RO 22 thousand due to dis-allowance of directors remuneration for the year 2018 amounting to RO 148 thousand based on internal guidelines of the Tax Authority. The Company has not accepted this disallowance on the basis that the directors remuneration paid for the year 2018 is in accordance with article 101 of Legislations Regulating the Joint Stock Companies listed in Muscat Stock Exchange. Based on the clarification received from the Financial Services Authority (formerly Capital Market Authority) in this regard, the Company has filed an objection with the Tax Authority for the disallowance of directors remuneration and the demand for additional tax charge as referred above.

The Company's tax assessments for the years 2021, 2022 and 2023 have not yet been assessed by Oman Tax Authority. The management considers that the amount of additional taxes, if any, that may become payable on finalisation of assessment of the open tax years would not be significant to the Company's financial position at 31 December 2024.

8. Income tax (continued)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2023: 15%).

The deferred tax asset recognised in the statement of financial position is attributable to the following:

	At 1 January	Charge for the year	At 31 December
	RO'000	RO'000	RO'000
2024			
Provision for slow moving and obsolete inventories	**48**	**(9)**	**39**
Allowance for expected credit losses	**1,502**	**(425)**	**1,077**
Other provisions	**50**	**(33)**	**17**
Depreciation	**1,099**	**(30)**	**1,069**
Leases	**77**	**33**	**110**
	2,776	**(464)**	**2,312**

	At 1 January	Charge for the year	At 31 December
	RO'000	RO'000	RO'000
2023			
Provision for slow moving and obsolete inventories	43	5	48
Allowance for expected credit losses	1,483	19	1,502
Other provisions	20	30	50
Depreciation	1,118	(19)	1,099
Leases	77	-	77
	2,741	35	2,776

On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two rules (GloBE Rules). The enacted law introduces a domestic minimum top-up tax (DMTT) and an Income Inclusion Rule (IIR), effective from 1 January 2025. This tax applies to entities that are part of an MNE Group with annual revenues amounting to or exceeding the Omani rial equivalent of EUR 750 million or more in two of the last four financial years.

The taxable income and effective tax rate will be calculated in accordance with the Executive Regulations to the Royal Decree, which are expected to be issued during 2025.

For the period ending December 31, 2024, the GloBE Rules are not expected to have a significant impact on income tax expense for Al Maha Petroleum Products Marketing Company SAOG as these rules were not effective in Oman during the year ended 31 December 2024. The Company will continue to monitor the legislation and accrue any potential top-up tax in the year 2025, in accordance with the IAS 12 Amendments and consider the Transitional Country-by-Country (CbC) Safe Harbour relief. In the absence of Executive Regulations to the Royal Decree, the potential exposure, if any, for Pillar Two income taxes is currently not known or reasonably estimable.

The Company has applied the mandatory temporary exception provided under Amendments to IAS 12 – Income Taxes to neither recognize nor disclose information on deferred tax assets or liabilities related to Pillar Two income taxes.

9. Property, plant and equipment

	Free hold land	Building and roads	Plant and equip-ment	Motor vehicles	Furniture and fixtures	Capital work in progress	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Cost							
At 1 January 2024	639	40,877	25,888	3,612	1,307	3,505	75,828
Additions	-	-	117	533	4	3,443	4,097
Transfers	-	2,413	983	-	-	(3,396)	-
Transfer to contract assets (note 12)	-	-	-	-	-	(266)	(266)
Disposals	-	(1,113)	(4,812)	(119)	(665)	-	(6,709)
At 31 December 2024	639	42,177	22,176	4,026	646	3,286	72,950
Accumulated depreciation and impairment							
At 1 January 2024	-	20,851	21,013	3,272	1,264	-	46,400
Charge for the year	-	1,953	1,260	177	28	-	3,418
Related to disposals	-	(1,072)	(4,797)	(120)	(665)	-	(6,654)
Impairment for the year	-	-	-	-	-	67	67
At 31 December 2024	-	21,732	17,476	3,329	627	67	43,231
Carrying amount							
At 31 December 2024	639	20,445	4,700	697	19	3,219	29,719

9. Property, plant and equipment (continued)

	Free hold land	Building and roads	Plant and equipment	Motor vehicles	Furniture and fixtures	Capital work in progress	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Cost							
At 1 January 2023	639	38,370	25,224	3,790	1,455	3,011	72,489
Additions	-	3	123	95	17	4,418	4,656
Transfers	-	2,765	1,159	-	-	(3,924)	-
Disposals	-	(261)	(618)	(273)	(165)	-	(1,317)
At 31 December 2023	639	40,877	25,888	3,612	1,307	3,505	75,828
Accumulated depreciation							
At 1 January 2023	-	19,230	20,310	3,357	1,401	-	44,298
Charge for the year	-	1,874	1,316	188	28	-	3,406
Related to disposals	-	(253)	(613)	(273)	(165)	-	(1,304)
At 31 December 2023	-	20,851	21,013	3,272	1,264	-	46,400
Carrying amount							
At 31 December 2023	639	20,026	4,875	340	43	3,505	29,428

Property, plant and equipment include filling station assets with a carrying value of RO 24.0 million (2023: RO 23.9 million). These assets are constructed and commissioned on filling station sites leased for periods not exceeding 25 years. Lease rentals for sites managed by the Company are agreed for periods varying from five to ten years. In certain cases where the filling station assets cost is shared between the Company and site owner, only the cost borne by the Company is recognised as property, plant and equipment.

10. Investment properties

2024	**Freehold land**	**Buildings**	**Total**
	RO'000	**RO'000**	**RO'000**
Cost			
At 1 January and at 31 December	**238**	**943**	**1,181**
Depreciation			
At 1 January 2024	**-**	**734**	**734**
Charge for the year (note 6.1)	**-**	**47**	**47**
At 31 December 2024	**-**	**781**	**781**
At 31 December 2024	**238**	**162**	**400**

2023	Freehold land	Buildings	Total
	RO'000	RO'000	RO'000
Cost			
At 1 January and at 31 December	238	943	1,181
Depreciation			
At 1 January 2023	-	687	687
Charge for the year (note 6.1)	-	47	47
At 31 December 2023	-	734	734
At 31 December 2023	238	209	447

a) The rental income during the year from the investment properties amounted to RO 3 thousand (2023: RO 80 thousand) (note 5).

b) At the end of the reporting year, the Company has assessed if there are any indicators for impairment of investment property, considering the impact of global economic outlook and expected recession in the markets on the real estate sector in the Sultanate of Oman.

c) At the end of the reporting year, the fair values of the investment properties amounted to RO 1,533 (2023: RO 1,529 thousand) based on valuation undertaken by professional valuers. The Management has estimated the recoverable amount to be more than the carrying value, and accordingly concluded no impairment loss has arisen for the year.

11. Leases

The Company has lease contracts for various land on which their filling station, depots and office operates. The Company enters into leasing arrangements for filling stations at various locations across the Sultanate of Oman. The lease terms are typically between five and twenty-five years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024	2023
	RO'000	RO'000
At 1 January	**6,296**	6,368
Additions during the year	**1,167**	1,097
Re-measurements / adjustments	**-**	(137)
Deletions	**-**	(62)
Depreciation for the year (note 6.1)	**(1,054)**	(970)
At 31 December	**6,409**	6,296

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024	2023
	RO'000	RO'000
At 1 January	**6,811**	6,883
Additions during the year	**1,167**	1,097
Re-measurements / adjustments	**-**	(137)
Deletions	**-**	(66)
Accretion of interest (note 7)	**433**	421
Payments	**(1,271)**	(1,387)
At 31 December	**7,140**	6,811
Current	**681**	659
Non-current	**6,459**	6,152

11. Leases (continued)

The following are the amounts recognised in statement of comprehensive income:

	2024 RO'000	2023 RO'000
Depreciation of right-of-use assets (note 6.1)	1,054	970
Interest expense on lease liabilities (note 7)	433	421
Expense relating to short-term leases/low value assets	270	252
	1,757	1,643

Changes in liabilities arising from financing activities:

	1 January RO'000	Cashflows RO'000	Others RO'000	31 December RO'000
Lease liabilities 2024	6,811	(1,271)	1,600	7,140
Lease liabilities 2023	6,883	(1,387)	1,315	6,811

12. Contract asset / liabilities

	2024 RO'000	2023 RO'000
Contract assets (note a)	4,169	4,595
Contract liabilities (note b)	1,444	1,444

12. Contract asset / liabilities (continued)

a) Contract assets at the end of the reporting period comprises the following

2024	**Contract assets RO'000**	**Contract costs RO'000**	**Total RO'000**
At 1 January 2024	1,376	3,240	4,616
Transferred from property, plant and equipment (note 9)	266	-	266
Invoiced to customers	(262)	-	(262)
Amortisation during the year (note 6.1)	-	(220)	(220)
Settled during the year	(124)	-	(124)
	1,256	3,020	4,276
Less: Allowance for expected credit losses	(107)	-	(107)
At 31 December 2024	1,149	3,020	4,169
Current portion of contract assets	1,149	200	1,349
Non-current portion of contract assets	-	2,820	2,820

2023	Contract assets RO'000	Contract costs RO'000	Total RO'000
At 1 January 2023	1,605	3,452	5,057
Additions during the year	-	8	8
Adjustment	13	-	13
Amortisation during the year (note 6.1)	-	(220)	(220)
Settled during the year	(242)	-	(242)
	1,376	3,240	4,616
Less: Allowance for expected credit losses	(20)	(1)	(21)
At 31 December 2023	1,356	3,239	4,595
Current portion of contract assets	1,356	596	1,952
Non-current portion of contract assets	-	2,643	2,643

12. Contract asset / liabilities (continued)

(i) Contract assets at the end of the reporting year represent revenue earned from the contracts with the customers that include construction of filling stations as receipt of consideration is conditional on successful completion of performance obligation. Upon completion of obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables.

(ii) Contract costs comprise of the following:

- Initial costs of obtaining a contract consists of incremental costs incurred towards the development of assets for the customers which involves implementation and subsequent services to assets.
- Costs to fulfil a contract consists of costs relating directly towards a customer contract which will generate or enhance the resources of the Company, which in turn will enable the Company in satisfying the performance obligations as a part of the contract.

b) Contract liabilities include liability in respect of a contract with a major customer for the construction, management, and operation of retail fuel stations in pre-defined locations within its concession areas. This contract is for 15 years, from September 2020 to August 2035. According to the contract, the Company shall establish eight retail fuel stations in the specified strategic locations, which is subject to the approval of the Government authorities concerned. As of the reporting date, the Company has obtained approval from the authority concerned to construct five fuel stations. In respect of the remaining three fuel stations, initial approval was not approved by the relevant authority due to the minimum distance restriction for constructing a filling station. As a result, the Company is discussing alternative solutions with the customer.

Per the terms of the contract, in return for the customer awarding strategic locations for the construction of fuel stations, a sum of RO 4 million is payable in monthly installments of RO 111,111 each for three years, starting from September 2020 till August 2024. Due to the non-resolution of an alternative solution, as referred to above, the Company has suspended the monthly installment from August 2022.

On the reporting date, the Company has paid an amount of RO 2,555 thousand to the customer in this regard, and the balance payable amount of RO 1,444 thousand is shown in the books of account as contract liabilities at the present value of 1,444 (2023: RO 1,444 thousand).

The Company is in ongoing discussion with the customer on the matter and considers the amount paid to the customer in respect of the non-approved locations to be recoverable as the approval of a retail fuel location is not under the control of the Company and management believes that there will be no legal implications because of suspending the monthly settlement.

13. Inventories

	2024	2023
	RO'000	RO'000
Petroleum products	**3,665**	3,661
General stores and consumables	**736**	574
Fuel cards	**121**	99
	4,522	4,334
Provision for slow moving and obsolete inventories	**(262)**	(321)
	4,260	4,013

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

	2024	2023
	RO '000	RO '000
At 1 January	**321**	289
(Reversal) / provided during the year	**(59)**	32
At 31 December	**262**	321

14. Trade and other receivables

	2024	2023
	RO'000	RO'000
Trade receivables	**79,880**	81,881
Less: Allowance for expected credit losses	**(7,090)**	(9,676)
	72,790	72,205
Prepayments (note a)	**804**	708
Staff receivables	**127**	120
Accrued income	**903**	17
Other receivables	**2,165**	3,510
	76,789	76,560

a) Prepayments include an amount of RO 105 thousand (2023: RO Nil) related to an agreement for the lease of land for a project with a tenure of 25 years. Management has concluded that these agreements do not fall within the scope of IFRS 16, as the commencement of the lease is contingent upon obtaining all necessary regulatory approvals. As a result, no right-of-use asset or lease liability has been recognized in these financial statements.

14. Trade and other receivables (continued)

As at 31 December 2024, trade receivables of RO 7,090 thousand (2023: RO 9,676 thousand) were impaired and provided against. Movement in the allowance for expected credit losses is as follows

	2024	2023
	RO'000	RO'000
At 1 January	9,676	9,400
Provided during the year (note 6.2)	285	276
Receivables written off	(2,871)	-
At 31 December	7,090	9,676

The amounts are considered to be due within 90 days from the date of invoice for majority of customers and all are unsecured. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. The other classes within trade and other receivables do not contain impaired assets.

15(a). Cash and bank balances

	2024	2023
	RO'000	RO'000
Cash at bank (i)	21,946	42,239
Less: Allowance for expected credit losses (ii)	(23)	(186)
	21,923	42,053
Cash in hand	47	336
	21,970	42,389

i. Cash and bank balances include call deposits which earn interest at commercial rates (2023 - same terms).

ii. Movement in the allowance for expected credit losses is as follows:

	2024	2023
	RO'000	RO'000
At 1 January	186	147
(Reversed) / provided during the year (note 6.2)	(163)	39
At 31 December	23	186

15(b). Short term deposits

Short term deposit is placed with a local commercial bank and earns interest at commercial rates. The deposit is maturing within one year from the end of the reporting period and has accordingly been classified under current assets.

16. Share capital

The authorized share capital comprises 85 million shares of RO 0.100 each (2023: RO 0.100 each).

At 31 December 2024, the issued and fully paid up share capital comprised 69 million shares of RO 0.100 each (2023: 69 million shares of RO 0.100 each) (note 25).

The details of shareholders who own 10% or more of the Company's share capital are as follows:

	2024		2023	
	%	No. of shares	%	No. of shares
ABS Lubricants	40	27,600,000	40	27,600,000
Civil Service Employees Pension Fund	-	-	13.2	9,081,781

17. Legal reserve

Commercial Companies Law of Sultanate of Oman promulgated by the Royal Decree No. 18/2019 requires that 10% of a Company's net profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to at least one-third of the Company's issued share capital. Since the amount of legal reserve has exceeded one-third of the Company's share capital, no further transfers have been made during current and prior year.

18. Special reserve

The Company had established special reserve in prior years to cover against any losses from unforeseen contingencies.

19. Employees' end of service benefits

	2024	2023
	RO'000	RO'000
At 1 January	251	235
Charge for the year (note 6.1)	41	40
Paid during the year	(16)	(24)
At 31 December	276	251

20. Trade and other payables

	2024 RO'000	2023 RO'000
Trade payables	43,720	42,484
Accrued expenses	5,132	4,059
Advance from customers	785	435
Interest payable	17	60
Other payables	2,671	2,154
	52,325	49,192

21. Interest bearing loans and borrowings

The carrying amount of the Company's interest bearing loans and borrowings is denominated in Rial Omani. The interest bearing loans and borrowings are unsecured and carries interest at a commercial rate. The Company has adequate facilities with local banks to repay / rollover the loan within 12 months to meet its ongoing business requirements. Interest will be paid based on the maturity date.

Changes in liabilities arising from financing activities:

	1 January RO'000	Cash inflows RO'000	Cash outflows RO'000	31 December RO'000
Short term loan - 2024	59,559	550,285	(563,400)	46,444
Short term loan - 2023	42,900	586,420	(569,761)	59,559

The loan agreements contain certain restrictive covenants, which include, amongst other restrictions routing of cashflows, maintenance of leverage, gearing and current ratios. As at the reporting date, the Company is in compliance with the covenants.

22. Dividends paid and proposed

Dividends paid

During the year dividend of RO 0.090 per share amounting to RO 6.210 million relating to 2023 was declared and paid (2023: RO 0.085 per share amounting to RO 5.865 million).

Proposed dividend

The Board of Directors has proposed a cash dividend of RO 0.085 per share amounting to RO 5.865 million (2023: RO 6.210 million) for the year ended 31 December 2024 which is subject to the approval of the shareholders at Annual General Meeting to be held on 23 March 2025.

23. Related party transactions

The Company has entered into transactions with members of the Board of Directors and members of the key management personnel of the Company. Transactions with related parties are considered by the Board of Directors to be at normal commercial terms and are as follows:

	2024 RO'000	2023 RO'000
Transactions with Directors:		
Directors' remuneration and sitting fees	220	370

At 31 December 2024, there were no transactions with shareholders holding 10% or more interest in the Company (2023: 10%).

Compensation of key management personnel

The remuneration of key management personnel during the year were as follows:

	2024 RO'000	2023 RO'000
Short-term employee benefits	691	660
Post-employment pension and end of service benefits	25	19
	716	679

24. Financial risk management

24.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by management under policies approved by the Board of Directors.

24.2 Market risk

24.2.1 Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars. As the Company's commercial transactions are primarily in foreign currencies pegged to Rial Omani, the management has not taken any forward contracts. Since most of the foreign currency transactions are either in US Dollars or in currencies linked to US Dollar, management believes that should these currencies weaken or strengthen against the Rial Omani, there would be an insignificant or no impact on the post tax profits.

24. Financial risk management (continued)

24.2.2 Interest rate risk

The Company's interest rate risk arises from bank borrowings. The Company analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Company. Management has estimated the effect on profit for the year due to increase or decrease in interest rates to be insignificant.

24.3 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from bank balances, as well as credit exposures to customers. The Company has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company requires bank guarantees on higher credit risk customers. The Company does not require collateral in respect of all financial assets.

The Company only deals with commercial banks in Oman with good ratings. Management does not expect any of its counter parties to fail to meet its obligations.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company has significant concentrations of credit risk with the Government sector. At 31 December 2024, Government organisations in Oman accounted for 36% (2023: 46%) of the outstanding trade receivables. At 31 December 2024, there were no other significant concentrations of credit risk.

Credit risk on other financial assets, including bank balances arises from the risk of default of the counterparty, with a maximum exposure equal to the carrying amount of these balances. Bank balances are placed with reputed financial institutions in the Sultanate of Oman.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	2024 RO'000	2023 RO'000
Trade receivables (note 14)	72,790	72,205
Bank balances (note 15)	21,923	42,053
	94,713	114,258

24. Financial risk management (continued)

24.3 Credit risk (continued)

The table below shows the balances with banks categorized by short-term credit ratings as published by Moody's as at the reporting date:

Description	Ratings	2024 RO'000	2023 RO'000
Bank balances	Aa3, A2 & Ba1	21,946	42,239

Trade receivables and contract assets

The Company has a credit policy in place for trade receivables and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Expected credit losses (ECL)

The Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Company derives its expected credit loss rates using a payment profile of sales and the corresponding historical credit losses experienced within this period. The historical rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the changes in gross domestic product to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in the factor. On that basis, the loss allowance was determined as follows for trade receivables and contract assets:

	Trade receivables						
	Days past due						
31 December 2024	Contract assets RO'000	Current RO'000	< 30 days RO'000	31 - 180 days RO'000	> 180 days RO'000	> 365 days RO'000	Total RO'000
Expected credit loss rate	0.49%	0.20%	0.32%	1.76%	24.92%	100%	8.88%
Gross carrying amount	4,276	41,837	12,369	18,301	975	6,398	79,880
Expected credit loss	107	87	39	323	243	6,398	7,090

24. Financial risk management (continued)

24.3 Credit risk (continued)

Expected credit losses (ECL) (continued)

	Trade receivables						
	Days past due						
31 December 2023	Contract assets RO'000	Current RO'000	< 30 days RO'000	31 - 180 days RO'000	> 180 days RO'000	> 365 days RO'000	Total RO'000
Expected credit loss rate	0.45%	0.27%	0.44%	1.87%	17.25%	100%	11.82%
Gross carrying amount	4,616	40,038	13,193	17,324	2,586	8,740	81,881
Expected credit loss	21	108	58	324	446	8,740	9,676

24.4 Liquidity risk

The Company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of sales require amounts to be paid on an average of 30-90 days from the date of sale. Trade payables are normally settled within 90 days of the date of purchase.

Management has taken several steps in protecting cash flows through compensating cost saving measures and reductions to discretionary capital expenditure. Further, the Company aims to maintain the level of its cash and cash equivalents at an amount sufficient to meet cash outflows in a range of scenarios.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

2024	**Up to one year RO'000**	**1-5 years RO'000**	**More than 5 years RO'000**	**Total RO'000**
Lease liabilities (note 11)	**1,155**	**3,302**	**6,280**	**10,737**
Interest bearing loans and borrowings (note 21)	**46,599**	**-**	**-**	**46,599**
Trade and other payables (note 20)	**48,984**	**2,556**	**-**	**51,540**
	96,738	**5,858**	**6,280**	**108,876**

24. Financial risk management (continued)

24.4 Liquidity risk (continued)

2023	Up to one year RO'000	1-5 years RO'000	More than 5 years RO'000	Total RO'000
Lease liabilities (note 11)	1,058	2,123	6,451	9,632
Interest bearing loans and borrowings (note 21)	59,816	-	-	59,816
Trade and other payables (note 20)	46,296	2,461	-	48,757
	107,170	4,584	6,451	118,205

24.5 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a commercially defensible capital structure to reduce the cost of capital. Capital comprises share capital, legal reserve, special reserve and retained earnings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Company monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, lease liabilities, trade and other payables, less cash and bank balances.

	2024 RO'000	2023 RO'000
Interest bearing loans and borrowings (note 21)	**46,444**	59,559
Lease liabilities (note 11)	**7,140**	6,811
Trade and other payables (note 20)	**52,325**	49,192
Less: Bank balances, short term deposits and cash (note 15)	**(31,970)**	(42,389)
Net debt	**73,939**	73,173
Equity	**47,807**	47,976
Capital and net debt	**121,746**	121,149
Gearing ratio	**61%**	60%

24. Financial risk management (continued)

24.6 Fair value estimation

The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate to their fair values. Financial assets consist of cash and bank balances and trade and other receivables. Financial liabilities consist of trade and other payables, lease liabilities and interest bearing loans and borrowings.

The fair values of financial assets and financial liabilities at the end of the reporting date are not materially different from their carrying values.

The fair value of land and buildings was determined by external, independent valuers, having appropriate recognized professional qualification and experience in location and category of property being valued. The independent valuers provide the fair value of the Company's land and building at reporting date based on market approach. The fair value measured has been categorized as level 3 based on highest and best use.

The following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1:	Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2:	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3:	Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

The following table presents the fair value non-financial assets for the Company that are measured at cost:

At 31 December 2024	**Level 3** **RO'000**	**Total** **RO'000**
Land and buildings	**1,533**	**1,533**

At 31 December 2023	Level 3 RO'000	Total RO'000
Land and buildings	1,529	1,529

24. Financial risk management (continued)

24.6 Fair value estimation (continued)

There were no transfers between Level 1 and Level 2 during 2024.

A description of valuation techniques used and key inputs to valuation of investment properties are as follows:

Description of investment properties	**Independent professional valuer and date of valuation**	**Valuation technique**	**Significant input**	**2024** **Valuation** **RO'000**
Lands	Al Habib & Co. LLC 31 December 2024	Open market basis	Estimated rental value per square meter	**407**
Building	Al Habib & Co. LLC 31 December 2024	Open market basis	Estimated rental value per square meter	**1,126**
				1,533

Description of investment properties	Independent professional valuer and date of valuation	Valuation technique	Significant input	2023 Valuation RO'000
Lands	Al Habib & Co. LLC 31 December 2023	Open market basis	Estimated rental value per square meter	395
Building	Al Habib & Co. LLC 31 December 2023	Open market basis	Estimated rental value per square meter	1,134
				1,529

25. Net assets per share

Net assets per share is calculated by dividing the shareholders' equity of the Company at the year-end by the number of shares outstanding as follows:

	2024	2023
Shareholders' equity (RO'000)	**47,807**	47,976
Number of shares outstanding at the end of the reporting period (thousands) (note 16)	**69,000**	69,000
Net assets per share (RO)	**0.693**	0.695

26. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year as follows:

	2024	2023
Profit for the year (RO'000)	6,041	6,313
Weighted average number of shares (thousands)	69,000	69,000
Earnings per share - basic and diluted (RO)	0.088	0.091

Since the Company has no potentially dilutive instruments, basic earnings per share and diluted earnings per share are equal.

27. Contingencies and commitments

a) 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.

b) The Company received claims from a major fuel supplier in Oman in respect of:

i) 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 (2023: RO 820,000). 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.

ii) 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. It is the Company's assessment that no liability is likely to arise from this claim by the fuel supplier and has accordingly not provided for any amounts in this respect.

c) The Company guarantees and commitments in the normal course of its business as follows:

	2024	2023
	RO'000	RO'000
Bank guarantees and letter of credits	4,442	3,576
Capital commitments	3,843	3,047
	8,285	6,623

28. Financial instruments

The accounting policies for financial assets have been applied to the line items below:

	2024	2023
	RO'000	RO'000
Assets at amortised costs		
Trade and other receivables (excluding prepayments) (note 14)	75,985	75,852
Cash, short-term deposits and bank balances (note 15)	31,970	42,389
	107,955	118,241

The accounting policies for financial liabilities have been applied to the line items below:

	2024	2023
	RO'000	RO'000
Liabilities measured at amortised costs		
Trade and other payables (note 20)	52,325	49,192
Lease liabilities (note 11)	7,140	6,811
Interest bearing loans and borrowings (note 21)	46,444	59,559
	105,909	115,562

29. Segmental information

Management has determined the Company's operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions.

The Chief Executive Officer identifies operating segments based on a business perspective. The reportable operating segments derive their revenue primarily from the sale of refined petroleum products. Retail sales amounting to RO 378.9 million (2023: RO 357.1 million) represent the most significant component of revenue for the Company.

30. 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.

31. Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in the current year financial statements. Such reclassifications are not material and have not affected previously reported net profit or shareholders' equity.

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