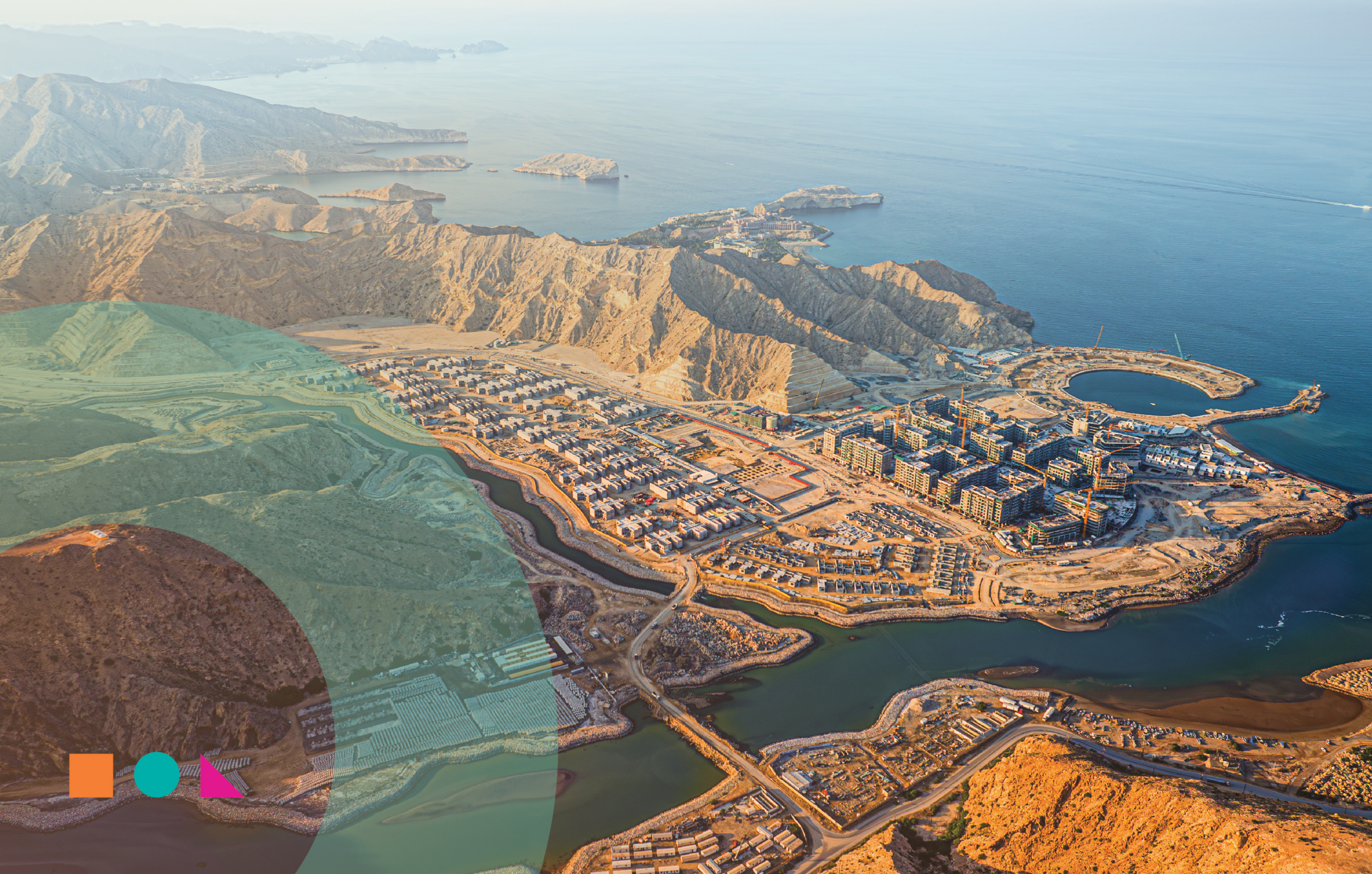
Directors' Report and Consolidated Financial Statements for the Year Ended

2024



Oman Tourism Development Company SAOC and its Subsidiaries

DIRECTORS’ REPORT, INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year end 31 December 2024

Oman Tourism Development Company SAOC and its Subsidiaries

DIRECTORS' REPORT, INDEPENDENT AUDITOR'S AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

Contents	***Page***

DIRECTORS' REPORT

For the year ended 31 December 2024

The Directors have pleasure in submitting their report and consolidated financial statements of Oman Tourism Development Company SAOC (the "Parent Company" or "Omran") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

Principal activities

OMRAN is registered as a closed Omani joint stock company incorporated on 17 July 2005 in the Sultanate of Oman. The principal activities are development of tourism infrastructure and real estate, hospitality and management of exhibition halls, tourist and industrial projects and hotels. The Parent Company also invests in various companies which includes subsidiaries, joint ventures and associates.

During the current year, Majid Al Futtaim United Real Estate Projects LLC (MAF), has withdrawn from the joint venture and transferred its 50% stake in Madinat al Irfan Development Company SAOC' (MAIDCO) to the Group in a share transfer agreement dated 27 June 2024 against a consideration of OMR 21.5 million and accordingly MAIDCO has become a 100% owned subsidiary. For the purpose of recording the transaction, the Group has considered the fair value of the subsidiary company's net assets as at 30 June 2024.

The net assets of MAIDCO mainly comprises of plot of land for commercial and residential development and is therefore recognised as an investment property. For the purpose of the acquisition, the Management conducted fair valuation of the investment property by an independent property valuation expert and using its internal assessment arrived at a fair value of the land as OMR 92.4 million. Considering the above fair valuation of the land, the fair value of the net assets of MAIDCO amounted to OMR 95.2 million

Financial position and results

The financial position of the Group as at 31 December 2024, together with the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended are set out in the accompanying financial statements.

The Group has reported its net profit for the year 2024 amounting to OMR 25.2 million and has accumulated losses of OMR 263.03 million as at 31 December 2024 (a net loss of OMR 31.5 million and had accumulated losses of OMR 287.7 million as at 31 December 2023).

Omran has performed impairment testing for its land properties, property, plant and equipment, right-of-use assets, and inventories as at 31 December 2024. As a result, the Group has concluded that no impairment is required in the year 2024.

Dividends

In view of the operating losses during the year, the Directors do not recommend any dividend for the year 2024. (2023: nil)

Going concern

The Directors have carried out their assessment of going concern assumption and have reassessed the appropriateness of the going concern assumption. The Directors believe that the Group has access to sufficient financial resources to continue to meet its financial commitments for the foreseeable future when they become due and that the Group will continue as a going concern for at least twelve months from the reporting date. The Directors believe that the Group will achieve its objectives in the short, medium, and long term.

Governance and sustainability

The Directors are collectively responsible for the long-term success of the Group, setting the strategic aims and ensuring that obligations to the shareholder and others are understood and met. The Directors are responsible for preparing the Directors' report and these consolidated financial statements in accordance with applicable laws and regulations.

Basis of preparation of financial statements

The accompanying consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the Commercial Companies Law, 2019.

On behalf of the Board of Directors

H.E. Azzan Qassim Al Busaidi
Chairman
Date

EY
Building a better working world

Ernst & Young LLC
P.O. Box 1750, Ruwi 112
5th Floor, Landmark Building
Opposite Al Ameen Mosque
Bowsher, Muscat
Sultanate of Oman

Tax Card No. 8218320

Tel : +968 22 504 559
Fax : +968 22 060 810
muscat@om.ey.com
ey.com

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN TOURISM DEVELOPMENT COMPANY SAOC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Oman Tourism Development Company SAOC (the "Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and consolidated 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 consolidated financial statements* section of our report. We are independent of the Group 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 consolidated financial statements in 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.

Other matter

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11 June 2024.

Other information

The other information comprises of Directors' report. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN TOURISM DEVELOPMENT COMPANY SAOC (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN TOURISM DEVELOPMENT COMPANY SAOC (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

As required by the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, we report that:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;

- the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;

- the Group has carried out physical verification of inventories;

- the financial information included in the Directors' report is consistent with the books of accounts of the Group; and

- based on the information that has been made available to us, nothing has come to our attention, which causes us to believe that the Group has contravened, during the year ended 31 December 2024, any of the applicable provisions of the Commercial Companies Law of 2019 or its Articles of Association, which would materially affect the consolidated financial performance of the Group for the year ended 31 December 2024 or its consolidated financial position as at 31 December 2024.

Ernst + Young

Imtiaz Ibrahim
20 March 2025
Muscat

إرنست ويونغ ش م م
س.ت: ١٢٢٤٠١٣
ص.ب: ١٧٥٠ روي - ١١٢ ، سلطنة عمان
ERNST & YOUNG LLC
C.R. No. 1224013
P.O. Box 1750 - P.C. 112, Sultanate of Oman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	***2024 OMR***	*2023 OMR*
Revenue from contract with customers	5	**57,662,540**	65,920,018
Rental Income		**682,527**	684,917
Cost of sales	6(a)	**(51,210,458)**	(74,569,602)
Gross profit / (loss)		**7,134,609**	(7,964,667)
Administrative expenses	6(a)	**(17,275,524)**	(19,782,470)
Net impairment reversal/(loss) on financial assets	31(ii)	**(406,363)**	1,032,229
Other income	6(b)	**2,507,158**	3,795,702
Operating loss		**(8,040,120)**	(22,919,206)
Finance income	6(c)	**1,194,937**	999,283
Finance costs	6(c)	**(2,863,243)**	(6,702,402)
		(1,668,306)	(5,703,119)
Share of net results of investments accounted for using the equity method	11(a)	**(10,799,803)**	(1,047,266)
Loss on disposal of associate		**-**	(124,326)
Gain/(loss) on sale of subsidiary	11(a)(vii)	**(3,061,225)**	60,871,561
Loss on disposal of property plant & equipment	8	**(4,384)**	-
Impairment of good-will	27	**(696,611)**	-
Bargain purchase gain on acquisition	11(b)(v)	**49,887,620**	-
		35,325,597	59,699,969
Profit before income tax		**25,617,171**	31,077,644
Taxation	7	**(388,606)**	504,643
Profit for the year		**25,228,565**	31,582,287
Other comprehensive income		**-**	-
Total comprehensive income for the year		**25,228,565**	31,582,287
Attributable to:			
Owner of the Parent Company		**25,295,473**	32,942,140
Non-controlling interests		**(66,908)**	(1,359,853)
		25,228,565	31,582,287

The attached notes 1 to 32 form an integral part of consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 OMR	2023 OMR
ASSETS			
Non-current assets			
Property, plant and equipment	8	125,018,580	151,192,178
Capital advances	8	1,854,203	3,417,598
Right-of-use assets	9	3,375,262	844,455
Investment properties	10	195,019,266	98,731,040
Investments accounted for using the equity method	11	234,131,260	255,765,977
Goodwill	27	-	696,611
		559,398,571	510,647,859
Current assets			
Inventories	12	50,548,244	50,329,174
Other assets	13	167,389	2,002,109
Trade receivables and other current assets	14	31,082,460	4,037,482
Other financial assets at amortised cost	15	26,771,490	57,718,139
Fixed deposits	16	6,590,820	39,595,345
Cash and cash equivalents	17	33,633,089	6,541,760
		148,793,492	160,224,009
Total assets		708,192,063	670,871,868
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	827,603,136	827,603,136
Share capital pending allotment	18	5,000,000	-
Legal reserve	19	3,949,149	3,321,850
Accumulated losses		(263,035,605)	(287,703,779)
Net equity attributable to owner of the Parent Company		573,516,680	543,221,207
Non-controlling interests		(189,244)	(3,925,029)
Net equity		573,327,436	539,296,178
LIABILITIES			
Non-current liabilities			
Borrowings	20	37,708,670	64,490,540
Lease liabilities	9	3,854,147	1,044,366
Deferred tax liabilities	7	8,506	-
Government grants	21	16,274,507	17,048,451
Trade and other payables	22	2,933,259	5,187,058
Other liabilities	23	1,710,647	1,808,661
Provision for employee benefits	24	772,427	349,625
Loan from parent	25	21,500,000	-
Total liabilities		84,762,163	89,928,701
Current liabilities			
Trade and other payables	22	30,848,992	30,409,527
Borrowings	20	18,085,916	10,074,912
Lease liabilities	9	446,788	441,782
Government grants	21	710,357	710,357
Other liabilities	23	10,411	10,411
		50,102,464	41,646,989
Total liabilities		134,864,627	131,575,690
Total equity and liabilities		708,192,063	670,871,868

The consolidated financial statements on pages 6 to 71 were approved and authorised for issue by the Board of Directors on 20/03/2025 and were signed on their behalf by:

H.E. Azzan Qassim Al Busaidi	Hashil bin Obaid Al Mahrouqi	Saif Al Yaarubi
Chairman	Chief Executive Officer	Chief Financial Officer

The attached notes 1 to 32 form an integral part of consolidated financial statements

Oman Tourism Development Company SAOC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owner of Parent company						
	Share capital OMR	***Share capital pending allotment OMR***	***Legal reserve OMR***	***Accumulated losses OMR***	***Sub total OMR***	***Non-controlling interests OMR***	***Total OMR***
Balance at 1 January 2024	**827,603,136**	**-**	**3,321,850**	**(287,703,779)**	**543,221,207**	**(3,925,029)**	**539,296,178**
Profit/(loss) for the year	**-**	**-**	**-**	**25,295,473**	**25,295,473**	**(66,908)**	**25,228,565**
Disposal of subsidiary	**-**	**-**	**-**	**-**	**-**	**3,802,693**	**3,802,693**
Transactions with owner in its capacity as owner:							
Share capital pending allotment	**-**	**5,000,000**	**-**	**-**	**5,000,000**	**-**	**5,000,000**
	827,603,136	**5,000,000**	**3,321,850**	**(262,408,306)**	**573,516,680**	**(189,244)**	**573,327,436**
Transfers during the year	**-**	**-**	**627,299**	**(627,299)**	**-**	**-**	**-**
Balance at 31 December 2024	**827,603,136**	**5,000,000**	**3,949,149**	**(263,035,605)**	**573,516,680**	**(189,244) `**	**573,327,436**
Balance at 1 January 2023	245,899,647	581,809,762	2,989,804	(332,190,291)	498,508,922	(2,565,176)	495,943,746
Profit/(loss) for the year	-	-	-	32,942,140	32,942,140	(1,359,853)	31,582,287
Transactions with owner in its capacity as owner:							
Registration of share capital pending registration	581,703,489	(581,703,489)	-	-	-	-	-
Release from payables by shareholder	-	-	-	11,770,145	11,770,145	-	11,770,145
Balance at 31 December 2023	827,603,136	106,273	2,989,804	(287,478,006)	543,221,207	(3,925,029)	539,296,178
Transfers during the year	-	(106,273)	332,046	(225,773)	-	-	-
Balance at 31 December 2023	827,603,136	-	3,321,850	(287,703,779)	543,221,207	(3,925,029) `	539,296,178

The attached notes 1 to 32 form an integral part of consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	***2024 OMR***	*2023 OMR*
Operating activities			
Profit before income tax		**25,617,171**	31,077,644
Adjustments for:			
Depreciation of property, plant and equipment	8	**3,642,340**	11,174,063
Amortization of right-of-use assets	9	**135,768**	553,180
Loss on disposal of property, plant and equipment	8	**4,384**	-
Provision for employee benefit obligation	24	**480,671**	380,849
Share of net results of investments accounted for using the equity method	11	**10,799,803**	1,047,266
Amortisation of government grant	21	**(773,944)**	(813,383)
Net impairment losses on financial assets	31(ii)	**406,363**	(1,032,229)
Loss on sale of associate investment		**-**	124,326
Gain on sale of subsidiary	11(a)(vii)	**3,061,225**	(60,871,561)
Impairment of good-will	27	**696,611**	-
Gain on acquisition of subsidiaries	11(b)(v)	**(49,887,620)**	-
Finance costs	6 (c)	**2,863,243**	6,702,402
Finance income	6 (c)	**(1,194,937)**	(999,283)
		(4,148,922)	(12,656,726)
Working Capital Changes			
(Increase) / decrease in Inventories		**(91,621)**	443,659
Decrease in other assets		**3,334,828**	1,220,612
(Increase) / decrease in trade receivables and other current assets		**(7,499,899)**	775,340
Decrease in other financial assets at amortised cost		**30,946,649**	8,390,990
Increase / (decrease) in trade and other payables		**(11,385,165)**	(18,055,131)
Increase / (decrease) in other liabilities		**(98,014)**	(418,868)
Cash used in operations		**11,057,856**	(20,300,124)
Income taxes paid	7	**(171,644)**	(350,296)
End of service benefit paid	24	**(57,869)**	(47,125)
Net cash generated from / (used) in operating activities		**10,828,343**	(20,697,545)
Investing activities			
Purchase of property, plant and equipment	8	**(19,561,943)**	(17,166,778)
Capital advances	8(vi)	**1,563,395**	1,744,122
Additions in investment Property		**(2,618,878)**	-
Additions in investments accounted for using the equity method	11	**(17,653,367)**	(26,714,300)
proceeds from / (Investment in) sale of investment	11	**-**	33,000,000
Net movements in investment in fixed deposits	16	**33,004,525**	9,338,688
Acquisition of subsidiary - net of cash		**(21,900,000)**	-
Interest received	6(c)	**1,194,937**	999,283
Net cash (used) in / generated from investing activities		**(25,971,331)**	1,201,015
Financing activities			
Net proceeds from borrowings (net of processing fees)	20	**12,449,133**	31,797,636
Additional share capital pending allotment		**5,000,000**	-
Net movements in lease liabilities	9	**(57,901)**	(4,532,650)
Loan from parent		**21,500,000**	-
Interest paid	6(c)	**(2,657,130)**	(5,302,489)
Dividend received		**4,400,000**	
Net cash generated from financing activities		**40,634,102**	21,962,497
Net increase/(decrease) in cash and cash equivalents		**25,491,114**	2,465,967
Cash and cash equivalents at beginning of the year	17	**6,541,760**	10,139,437
Cash acquired through acquisition of subsidiary	11	**1,693,546**	12,276
Provision for expected credit losses on bank balances	31(ii)	**(1,450)**	3,393
Disposal of subsidiary - DHM Cash		**(91,881)**	-
Divestment of Aasaal Cash		**-**	(6,079,313)
Cash and cash equivalents at end of the year		**33,633,089**	6,541,760
Non- cash investing and financing activities:			
Land under property, plant and equipment	8	**-**	21,826,028
Contribution from shareholder / Owner	18	**-**	581,703,489
Transfer of Investment from Subsidiary to Associates	11	**-**	66,612,245
Transfer of Investment from Associates to subsidiary	11	24,944,539	-

The attached notes 1 to 32 form an integral part of consolidated financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Oman Tourism Development Company SAOC (the “Parent Company” or “Omran”) is registered as a closed Omani joint stock Company incorporated on 17 July 2005 in the Sultanate of Oman. The principal activities are development of tourism infrastructure and real estate, hospitality and management of exhibition halls, tourist and industrial projects and hotels. The registered office of Omran is located at Oman Convention and Exhibition Centre, Madinat al Irfan, Seeb.

The Company also invests in various companies which include subsidiaries, joint ventures and associates. The Company is owned and controlled by Oman Investment Authority ("OIA").

The Parent Company and its subsidiaries listed below are collectively referred to as the “Group”. The subsidiaries are incorporated in the Sultanate of Oman. The principal activities of the subsidiaries are set out below:

Subsidiaries	***Shareholding percentage***		***Principal activities***
	2024	*2023*	
Omran Tourism LLC	99.98%	99.98%	Investment Holding company in tourism and hospitality sector
Omran Hospitality LLC	100%	100%	Investment Holding company in tourism and hospitality sector
Dibba Hotel Management Company LLC	100%	100%	Management of showrooms, tourist and industrial projects, hotels, motels and shelters
National Omani Hospitality Company LLC	100%	100%	Management of showrooms, tourist and industrial projects, hotels, motels and shelters
Al Isteraha Hospitality LLC	100%	100%	Management of showrooms, tourist and industrial projects, hotels, motels and shelters
Destination Management Company LLC	100%	100%	Management of tourist and industrial projects
Oman Heritage Development and Projects Management Company LLC	100%	100%	Management of tourist projects
Destination Tourism Investment & Hotel Management Company SAOC	100%	100%	Management of tourist projects
Hoota Cave Property Management Company LLC	100%	100%	Management of showrooms, tourist projects

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES (continued)

Subsidiaries	***Shareholding percentage***		***Principal activities***
	2024	*2023*	
Convention District Development Company LLC	100%	100%	Development of tourism infrastructure and real estate
Marina Operation Services LLC	100%	100%	Management of tourist projects and restaurants
Waterfront Investments Company SAOC	100%	100%	Development of tourism infrastructure and real estate
Oman International Exhibition Centre LLC	100%	100%	Management of tourist projects
Oman Tourism College SAOC	100%	100%	Providing education and training in tourism and hospitality
Waterfront and Marina Services SAOC	97.69%	97.69%	Construction and operation of tourism related projects, including resorts and marinas
Oman Sail LLC	100%	100%	Tourism and water sports activities
Sindbad Charter LLC	100%	100%	Management and operations of yacht charters, boat trips, maritime recreational activities
Muttrah Tourism Development Company SPC	100%	100%	Commercial real estate development
Madinat ul Irfan Development Company SAOC [note 11(b)((i)]	100%	50%	Commercial real estate development
Yiti Tourism Development Company LLC	100%	100%	Commercial and residential real estate development.
Yiti Hopsitality and Investment Company LLC	100%	100%	Management of hotels and tourist projects
Al Bustan Hospitality and Investment LLC [note 11(b)((ii)]	100%	100%	Management of hotels and tourist projects
Salalah Villas Company SPC [note 11(b)((iii)]	100%	-	Management of restaurants operations
Musandam Destination for Development and Investment SPC	100%	100%	Management of hotels and tourist projects
National Travel Operator LLC	100%	100%	Tourism and experiences operations
Al Batinah Hotels Company SAOC	82%	82%	Tourism and hospitality operations

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES (continued)

The country of incorporation and principal activities of the associates and joint ventures are set out below:

Associate / Joint venture		***Country of incorporation***	***Shareholding percentage***		***Principal activities***
			2024	*2023*	
Aasaal International Investment SAOC ('Aasaal')	Joint venture	Sultanate of Oman	51%	51%	Management of Hotels and Tourists Projects
Muriya Tourism Development Company SAOC	Associate	Sultanate of Oman	30%	30%	Development of real estate projects, establishing and managing hotels in Oman
Salalah Beach Tourism Development Company SAOC	Associate	Sultanate of Oman	30%	30%	Development of an integrated tourism project in Salalah
Al Sifah Tourism Development Company SAOC	Associate	Sultanate of Oman	30%	30%	Development of an integrated tourism project in Sifah
Sodah Tourism Development Company SAOC	Associate	Sultanate of Oman	30%	30%	Development of an integrated tourism project in Sodah
Destination Hotel Management SAOC	Associate	Sultanate of Oman	51%	51%	Management of tourist projects
Qatari Diar Ras Al Hadd Development Company SAOC	Associate	Sultanate of Oman	30%	30%	Commercial real estate development and rental or sale activities

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES (continued)

Associate / Joint venture		***Country of***	***Effective Shareholding***		***Principal activities***
			2024	*2023*	
Iskan International Projects FZC	Associate	United Arab Emirates	25%	25%	Real estate sale activities
International Hotel School LLC	Associate	Sultanate of Oman	50%	50%	Hotel management and education school
Taqah Hotel Management Company LLC	Associate	Sultanate of Oman	12.5%	12.5%	Management of hotels, resorts and other tourism projects in Oman
Al Mouj Muscat SAOC	Associate	Sultanate of Oman	40%	40%	Development of real estate projects
Saraya Bander Jissah SAOC	Associate	Sultanate of Oman	50%	50%	Development of an integrated tourism project at Bander Jissah
Muscat National Development and Investment Company SAOC	Associate	Sultanate of Oman	27%	27%	Renting and operating of self-owned or leased real estate, and other related activities, and management of tourist projects
National Destination for Leisure and Tourism Company SAOC	Joint venture	Sultanate of Oman	63.91%	63.91%	Management of hotels, tourist projects

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES (continued)

Associate / Joint venture		***Country of incorporation***	***Effective Shareholding percentage***		***Principal activities***
			2024	*2023*	
Sustainable Development and Investment Company SAOC	Joint venture	Sultanate of Oman	50%	50%	Construction of real estate project
Agritourism Development Company LLC	Associate	Sultanate of Oman	50%	50%	Integrating tourism projects

2 BASIS OF PREPARATION

(a) Compliance with IFRS Accounting Standards

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and the applicable requirements of the Commercial Companies Law of the Sultanate of Oman.

(b) Historical cost convention

These consolidated financial statements are prepared under the historical cost convention except as otherwise disclosed in the relevant accounting policies below. The values are rounded to the nearest OMR, except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first-time and have been adopted in the preparation of these consolidated financial statements for the year ended 31 December 2024:

Standard or amendments	***Title***	***Effective for annual periods beginning on or after***
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2024

2 BASIS OF PREPARATION (continued)

2.1 New and amended standards adopted by the Group (continued)

The amendments listed above did not have any impact on the amounts recognized in the prior and current periods.

2.2 Standards issued but not yet effective

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

Standard or amendments	***Title***	***Effective for annual periods beginning on or after***
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	Various amendments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	1 January 2026
New Standard IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
New Standard IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The amendments are not expected to have a material impact on the consolidated financial statements.

2.3 Going concern

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

As at 31 December 2024, the Group has a positive net equity of OMR 573.3 million (2023: OMR 539.29 million) and net current assets of OMR 98.7 million (2023: OMR 118.58 million) and accumulated losses of OMR 263.3 million (2023: OMR 287.53 million).

The Directors have carried out their assessment of going concern assumption and believe that the Group has access to sufficient financial resources to continue to meet its financial commitments for the forceable future when they become due. Directors believe that the Group will continue as a going concern for at least twelve months from the reporting date. The Directors believe that the Group will achieve its objectives in the short, medium, and long term. Hence, these consolidated financial statements have been prepared on a going concern basis.

3 MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iii) Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

(iv) Equity method

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of net results of an associate and a joint venture' in the statement of profit or loss. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 4(a)(ii).

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Parent company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence (or where control is subsequently obtained and the investment is transferred to investment in subsidiaries), any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated statement of profit or loss and other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(v) Changes in ownership interests (continued)

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of comprehensive income. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss and other comprehensive income where appropriate.

(b) Foreign currency translation

Functional and presentation currency

Items included in these consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Rial Omani (OMR), which is the Group’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Rial Omani at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rial Omani at the exchange rate prevailing at the reporting date. Differences on exchange are dealt within the consolidated statement of profit or loss and other comprehensive income.

(c) Revenue from contracts with customers

Recognition policy for each revenue stream of the Group is as follows:

(i) **Revenue from project development** - Revenue is recognised based on an agreement with the customer over the period of the contract according to the percentage of completion of project.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs; or
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group’s performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

For fixed-price contracts, revenue is recognised based on the actual material and service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual cost spent relative to the total estimated cost. The Company uses the ‘input method’ to determine the appropriate amount to recognise in a given period.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Revenue from contracts with customers (continued)
(i) Revenue from project development (continued)

The input method is measured by reference to the contract costs incurred up to the date of the statement of financial position as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the input method. They are presented as inventories, pre-payments or other assets, depending on their nature.

Variations which are in the nature of extension of existing scope of work are accounted for using cumulative catch-up adjustments to the cost to complete method of revenue recognition. Variation orders which require addition of distinct goods and services to the scope and variation orders which require addition of distinct goods and services to the scope at standalone selling prices are accounted for as new contracts with the customers.

A loss is recognised in the statement of profit or loss and other comprehensive income when the expected contract costs exceed the total anticipated contract revenue.

Contracts include multiple deliverables, such as the supply of materials and related installation services. However, the installation is not simple, does include an integration service and which could not be performed by another party. It is therefore accounted for as a single performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they will be estimated based on expected cost-plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(ii) **Rooms revenue** - Room revenue consists of the services rendered during the year, net of discounts and municipal and tourism taxes which is recognised on a daily basis over time based on occupancy.

(iii) **Food, beverage and other hotel services** - Food, beverage and other hotel services revenues are recognised at a point in time when goods are supplied, or services rendered.

(iv) **Education services** - The Group generates a portion of revenue from providing education services. The Group generally charges students upfront fees. The Group accounts for the up-front fees as an advance payment to be satisfied in the future and revenue is recognised over the period of time as and when the services are provided as the student can simultaneously receive and consume the benefits provided. No revenue is recognized if there are significant uncertainties that affect the recovery of fees. Services provided free of cost and other 'donations in kind' are recognised at their estimated fair value.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Revenue from contracts with customers (continued)

(v) **Sponsorship income** - Sponsorship income is recognised in the consolidated statement of profit or loss and other comprehensive income when the Group's right to receive the payment is established. Services provided free of cost and other 'donations in kind' are recognised at their estimated fair value if such fair value is reliably estimable. Sponsorship income that compensates the Group for specific expenses incurred are recognised in the consolidated statement of profit or loss and other comprehensive income on a systematic basis in the same period in which those expenses are recognised. Sponsorship income that compensates the Group for the cost of an asset is deducted from the asset's cost.

(vi) **Berthing fees** - Revenue from berthing fees is recognised over the period to which the fees relate.

(vii) **Revenue from centralised cooling services, potable water and sewerage water supply** - Revenue from providing cooling service, potable water and sewerage water supply to hotels and offices is recognised on the delivery of cooling services to the customers.

(viii) **Fuel sales** - Revenue from fuel sales is recognised at a point in time when goods are

(ix) **Workshop services** - Revenue is recognised over time as the Group's performance does not create an asset for which the Group has an alternative use. Revenue is recognised on the basis of work completed to date.

(x) **Exhibition and event organising income** – Exhibition and event organising income consists of the services rendered during the year, net of discounts and municipal taxes which is recognised on a daily basis over time based on the duration of the exhibition and events.

(xi) **Commercial sailing income** - Revenue from commercial sailing is recognised over the period to which the income relates.

(x) **Entrance fees for tourism assets** – Entrance fee for the tourism assets revenues are recognised at a point in time when the tickets are sold.

(xi) Rent income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rent income. The respective leased assets are included in the statement of financial position based on their nature.

Contract assets
Contract assets represent the Company's right to consideration for services provided to customers for which the Company's right remains conditional on something other than the passage of time. Contract assets represents the difference between work completed as certified by the customer and invoices raised based on agreement.

Contract liabilities
Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer.

No element of financing is deemed present as the goods are sold and services are rendered with standard credit terms of 30- 90 days, which is consistent with market practice.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Revenue from contracts with customers (continued)

Contract liabilities (continued)

A receivable is recognised when goods are delivered and services are rendered and such goods or services are accepted by the customer as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due. Receivables with respect to room revenue is accrued and recorded on a daily basis since room revenue is recorded over time based on occupancy.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(d) Rental income

Rent income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rent income. The respective leased assets are included in the statement of financial position based on their nature.

(e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Directors establish provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Income tax (continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

As a lessee

The Group 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.

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

(i) Right-of-use assets

The Group recognizes 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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:

Usufruct rights for various lands	20 to 50 years

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognizes 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 Group exercising the option to terminate.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Leases (continued)

As a lessee (continued)

(ii) Lease liabilities (continued)

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group 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.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of future fixed payments in relation to leases. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases (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). It also applies the lease of low-value assets recognition exemption to leases of other assets that are considered to be low value. 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.

(h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items i.e. cost of asset, duties or taxes paid for acquiring the asset, transportation costs and other related costs.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and can be measured reliably. All other expenditure is recognised in the statement of profit or loss and other comprehensive income as an expense when incurred.

Land is not depreciated. Capital work-in-progress is stated at cost. When the assets are ready for their intended use, they are transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in line with the Group's accounting policy. Depreciation is recognised so as to write off the cost less estimated residual value on a straight line basis over the expected remaining useful economic life of the asset concerned.

The estimated useful lives are as follows:

Asset	***Years***
Plant and machinery	30
Buildings - Main	10 – 40
Buildings - Marina	20
Buildings - Access roads	10
Office furniture and fixtures	3 – 10
Hotel fixtures and furniture	5 – 7
Computer, equipment, telephone and conference systems	4 – 7
Motor vehicles and boats	3 – 20
Marina	20
Breakwater	50
Berth, seawall and slipways	10 – 30

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

Depreciation on additions is charged from the date the asset is put to use and no depreciation is charged from the date of disposal.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(j) Investment properties

Investment properties comprises properties that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land is not depreciated.

Investment properties are measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of investment properties is written down to residual value in equal instalments over the estimated useful lives of the assets.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Investment properties (continued)

Investment properties are derecognised when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in the consolidated statement of profit or loss and other comprehensive income in the year of retirement or disposal.

Gains or losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset in the separate financial statements. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(k) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of that asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Provision is made where necessary for obsolete, slow-moving and defective items.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets

(i) Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group'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.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial asset classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Group commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

(iii) 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 profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost trade receivables, due from OIA, due from the ministry of tourism, due from related parties, other receivables, retentions receivable and cash at bank.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

(iv) Impairment

The Group 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 Group 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, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

For other financial assets at amortised cost and cash and bank balances, the Group applies the three-stage model approach permitted by IFRS 9, which requires the Group to follow 12 months expected credit loss method or life time expected credit loss method in assessing the losses to be recognised from initial recognition of due from related parties.

The Company considers a financial asset to be at a risk of default when contractual payments are 90 days past due, unless there are factors that might indicate otherwise. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(n) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts, 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.

Bank overdrafts are disclosed separately as part of current liabilities in the consolidated statement of financial position.

Deposits with a maturity of more than 1 year from the date of placement are shown as non-current asset.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in these consolidation income statement over the period of the borrowings using the effective interest method.

(p) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities and borrowings.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit of loss
- Financial liabilities at amortised cost (borrowings)

(iii) 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 profit or loss.

(q) Provision for employee benefits

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

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the statement of financial position date.

This provision is classified as a non-current liability.

(r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Fair value

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

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorised 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 consolidated financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(t) Owner / Shareholder contributions

Transfer of assets / businesses without any consideration by the Owner / Shareholder acting in its capacity as an Owner / shareholder is recognised as a capital contribution made by the Owner / Shareholder at its fair value on the date of transfer.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of these consolidated financial statements, a number of estimates and associated assumptions have been made relating to the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are assessed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following narrative addresses the accounting policies that require subjective and complex judgements, often as a result of the need to make estimates.

(a) Impairment of non-financial assets

(i) Impairment of land and property, plant and equipment

A decline in the value of non-financial assets could have a significant effect on the amounts recognised in the consolidated financial statements. The Group assess the impairment of property, plant and equipment, capital work-in-progress and right-of-use assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(a) Impairment of non-financial assets (continued)

(i) Impairment of land and property, plant and equipment (continued)

Factors that are considered important which could trigger an impairment review include:

- observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
- significant changes with an adverse effect on the Group have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Group operates or in the market to which an asset is dedicated.
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- the carrying amount of the net assets of the Group is more than its market capitalisation.
- evidence of obsolescence or physical damage of an asset.
- significant changes with an adverse effect on the Group have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date,
- reassessing the useful life of an asset as finite rather than indefinite, and
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

The Group assessed that although impairment indicators exists, however, based on available evidence and an impairment testing exercise, the management has concluded that no impairment need to be recognized. Refer to note 10 for other disclosures.

(ii) Impairment of investments in equity accounted investees

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation is based on discounted cash flow model. In determining the VIU, the management of the Company has considered the following:

- the revenue growth from the base year 2023 to be in the average range of 1.5% to 15%.
- terminal growth at the end of 5 years at 2% and
- discounting of the cash flows at 8 - 10%.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(a) Impairment of non-financial assets (continued)

(ii) Impairment of investments in equity accounted investees (continued)

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. Assuming other individual key inputs remaining constant, the decrease in the recoverable amounts of the investments at 31 December 2024 is not significant so as to result in an impairment charge, hence no impairment has been recognised.

When the recoverable amounts are consistently higher than the carrying amount of respective investments then management has determined to reverse the impairment provision made on investments in line with the requirements of IAS 36 "Impairment of Assets".

(b) Provision for expected credit losses of trade receivables

The Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At reporting date, the historical credit loss experience is updated and forward-looking factors are analyzed.

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 not be representative of actual default in the future.

(c) Useful lives of property, plant and equipment

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Future depreciation charge would be adjusted prospectively where the management believes the useful lives differ from previous estimates.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(d) Existence of control, joint control or significant influence

The Group holds shares in various entities which it classifies as a subsidiary, joint venture or associate based on the Directors' assessment of the existence of control, joint control or significant influence over these entities. The Directors have performed the assessment following the guidance provided in IFRS 10 'Consolidated financial statements' and IFRS 3 'Business Combinations' and with reference to the terms and conditions of the shareholders' agreement of these entities to determine whether it has joint control or significant influence over the investees (refer to note 11).

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

	2024 ***OMR***	*2023* *OMR*
Revenue from Real Estate		
Sale of building (i)	**20,932,800**	-
Sale of land	**5,848,708**	-
Project development revenue	**2,168,496**	14,866,062
	28,950,004	14,866,062
Revenue from Hospitality		
Rooms	**11,635,175**	24,554,751
Food and beverage	**8,309,857**	17,263,195
Other hotel services (ii)	**1,458,353**	2,387,284
	21,403,385	44,205,230
Revenue from other Operations		
Education services	**1,459,872**	1,570,003
Events management revenue	**2,022,765**	1,452,431
Berthing fees and marina revenue	**1,276,395**	1,343,160
Sponsorship income	**446,892**	725,886
Centralised cooling services	**239,172**	246,500
Commercial income	**-**	217,137
Others (iii)	**1,864,055**	1,293,609
	7,309,151	6,848,726
	57,662,540	65,920,018

(i) On 30 December 2024, Omran entered into an agreement with Pearl Real Estate Investment Fund for the sale of building and underlying land, the company has recorded revenue from building on percentage of completion. Revenue from sale of underlying land is recognised in full, with relating cost amounting to OMR 1.3 million being transferred to cost of sales from investment property.

(ii) Other hotel services include health club membership, spa services, banquets, laundry and shuttle services.

(iii) Other revenues include fuel sales, workshop services, commercial sailing income and entrance fees for tourism assets.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

(b) Disaggregation of revenue from contracts with customers

	2024 OMR	*2023 OMR*
Timing of revenue recognition		
Over time	**41,639,920**	47,363,214
At a point in time	**16,022,620**	18,556,804
	57,662,540	65,920,018

This note provides a breakdown of the items included in cost of sales, administrative expenses, other income, finance income and costs.

6 INCOME AND EXPENSE ITEMS

(a) Breakdown of expenses by nature

	2024 OMR	*2023 OMR*
Staff costs (see below for details)	**25,133,222**	33,622,512
Cost of revenue from real estate	**18,356,277**	14,444,386
Depreciation and amortisation (note 8)	**3,642,340**	11,174,063
Amortisation of right of use (note 9)	**135,768**	553,180
Cost of food, beverages and rooms	**2,912,610**	11,185,458
Fuel, power and water	**2,191,454**	5,227,457
Repairs and maintenance	**3,560,407**	3,643,085
Advertisement and promotion	**1,817,722**	2,469,956
Management fees	**-**	1,181,183
Professional and legal fees	**1,697,338**	715,865
Employee training and recruitment expenses	**1,117,140**	703,205
Insurance and rent expense	**214,680**	525,930
Information technology expenses	**661,208**	344,544
Office expenses	**1,017,150**	274,418
Bad debts written off	**-**	12,389
Others	**7,636,563**	9,210,133
	70,093,879	95,287,764
Amount capitalised as work-in-progress	**(1,607,897)**	(935,692)
	68,485,982	94,352,072

Breakdown of expenses by function

	2024 OMR	*2023 OMR*
Cost of sales	**51,210,458**	74,569,602
Administrative expenses	**17,275,524**	19,782,470
	68,485,982	94,352,072

6 INCOME AND EXPENSE ITEMS (continued)

(a) Breakdown of expenses by nature (continued)

Staff costs during the year comprises of:

	2024	*2023*
	OMR	*OMR*
Basic salary and allowances	**17,876,123**	23,984,271
Staff accommodation and food allowances	**2,302,322**	3,320,510
Social security costs	**1,510,658**	2,013,963
Bonus	**853,553**	525,663
End-of-service benefits (note 24)	**480,671**	380,849
Other costs	**2,109,895**	3,397,256
	25,133,222	33,622,512
Amount capitalised as work-in-progress	**(1,607,897)**	(935,692)
	23,525,325	32,686,820

(b) Other income

	2024	*2023*
	OMR	*OMR*
Amortization from government grant (note 21)	**773,944**	813,383
Miscellaneous income	**1,733,214**	2,982,319
	2,507,158	3,795,702

(c) Finance income and costs

	2024	*2023*
	OMR	*OMR*
Interest income	**1,194,937**	999,283

Interest income is earned from short-term and long-term fixed deposit and call deposit balances with Islamic bank windows and commercial banks in Oman during the year which carry annual – interest rates ranging from 3.35% - 6% per annum (2023 - from 3.35 % to 6% per annum).

Finance costs

	2024	*2023*
	OMR	*OMR*
Interest on borrowings	**(2,657,130)**	(6,339,654)
Interest on lease liabilities [note 9 (ii)]	**(206,113)**	(362,748)
	(2,863,243)	(6,702,402)

7 TAXATION

Income tax is provided in accordance with the provisions of the income tax law of the Sultanate of Oman after adjusting for items which are non-taxable or disallowed. The–tax rate applicable to the Company is 15% (2023 - 15%) on taxable income.

(a) Details of taxation recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2024 OMR	*2023 OMR*
Current year tax	**380,100**	171,644
Prior period tax	**-**	-
Deferred tax charge / (credit)	**8,506**	(676,287)
Income tax expense / (credit)	**388,606**	(504,643)

(b) Details of provision for income tax recognised in the consolidated statement of financial position:

	2024 OMR	*2023 OMR*
Balance at 1 January	**171,644**	350,296
Current year tax	**380,100**	171,644
Payments during the year	**(171,644)**	(350,296)
Balance at 31 December	**380,100**	171,644

(c) The following is a reconciliation of income tax calculated on the accounting profit/ (loss) at the applicable tax rate with the income tax expense for the year:

	2024 OMR	*2023 OMR*
Profit/ (loss) before tax for the year	**25,617,171**	31,077,644
Tax charge on accounting profit/ (loss)	**3,842,576**	4,661,647
Adjustments for tax effect of:		
Share of losses of equity accounted investees	**1,619,970**	(5,181,042)
Tax exempt income	**(116,610)**	(128,387)
Non-deductible expenses	**-**	58,091
Impairment of non-financial assets	**104,492**	(154,834)
Bargain purchase gain	**(7,023,959)**	-
Deferred tax liability recognized during the year	**8,506**	-
Deferred tax not recognised - net	**1,953,631**	916,169
Income tax (credit) / expense	**388,606**	171,644

7 INCOME TAX (continued)

(d) The Parent Company's taxation has been agreed with the Oman Tax Authorities for all years up to 31 December 2020. The Directors believe that additional taxes, if any, in respect of the unassessed tax years would not be material to the Group's consolidated financial position at the reporting date.

(e) In case of majority of the Group companies, the net deferred tax liability recognised in the statement of financial position mainly relates to accelerated depreciation and setoff with the corresponding deferred tax assets on the tax losses. In view of the uncertainty regarding the availability of future taxable profits, no further deferred tax asset on taxable losses has been recognised in the financial statements for the respective companies.

(f) Deferred tax is calculated on all temporary differences using a principal tax rate of 15% (2023 - 15%). The net deferred tax liability in the consolidated statement of financial position and the net deferred tax charge in the consolidated statement of profit or loss and other comprehensive income are attributable to the following items:

	1 January 2024 OMR	***Credit/ (charge) to the consolidated statement of profit or loss and other comprehensive income OMR***	***31 December 2024 OMR***
Provisions	-	26,920	26,920
Accelerated tax depreciation	-	(35,426)	(35,426)
	-	**(8,506)**	**(8,506)**
Disclosed in the consolidated statement of financial position as:			
Deferred tax asset	-	-	-
Deferred tax liability	-	(8,506)	(8,506)
	-	**(8,506)**	**(8,506)**

	1 January 2023 OMR	*Credit/ (charge) to the consolidated statement of profit or loss and other comprehensive income OMR*	*Aasaal Investment SAOC Divestment*	*31 December 2023 OMR*
Provisions	656,713	732,590	(1,389,303)	-
Accelerated tax depreciation	(225,583)	(56,303)	281,886	-
	431,130	676,287	(1,107,417)	-
Disclosed in the consolidated statement of financial position as:				
Deferred tax asset	656,713	732,590	(1,389,303)	-
Deferred tax liability	(225,583)	(56,303)	281,886	-
	431,130	676,287	(1,107,417)	-

8 PROPERTY, PLANT AND EQUIPMENT

31 December 2024	*Land (i) OMR*	*Property, plant and equipment OMR*	*Buildings OMR*	*Office furniture and equipment OMR*	*Hotel fixtures and furniture OMR*	*Computers and equipment OMR*	*Telephones and conference systems OMR*	*Vehicles & Boats OMR*	*Marina/ breakwater/ berth seawall OMR*	*Capital work-in-progress OMR*	*Total OMR*
Cost											
At 1 January 2024	**42,634,977**	**8,926,296**	**105,678,363**	**2,396,248**	**4,865,148**	**17,557,513**	**71,747**	**2,878,408**	**3,549,962**	**36,859,374**	**225,418,036**
Additions	**-**	**-**	**23,649**	**1,010**	**78,516**	**264,938**	**-**	**31,401**	**-**	**19,162,429**	**19,561,943**
Transfers	**-**	**-**	**1,724,398**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,635,857)**	**(20,911,459)**
Acquisition of subsidiary [(note	**-**	**-**	**2,755,750**	**4,117**	**-**	**1,107**	**-**	**-**	**-**	**-**	**2,760,974**
Disposal of subsidiary	**(300,000)**	**-**	**(25,294,865)**	**(1,445,328)**	**-**	**(8,809,612)**	**-**	**(42,910)**	**-**	**-**	**(35,892,715)**
Al Batinah PPE transfer to IP	**(38,525)**	**-**	**(2,434,037)**	**(1,697)**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,474,259)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11,439)**	**-**	**-**	**(11,439)**
At 31 December 2024	**42,296,452**	**8,926,296**	**82,453,258**	**954,350**	**4,943,664**	**9,013,946**	**71,747**	**2,855,460**	**3,549,962**	**33,385,946**	**188,451,081**
Accumulated depreciation and impairment											
At 1 January 2024	**13,396,000**	**2,045,726**	**37,619,141**	**2,396,248**	**3,013,882**	**9,812,236**	**71,697**	**2,670,716**	**3,200,212**	**-**	**74,225,858**
Depreciation [note 6(a)]	**-**	**297,544**	**1,650,763**	**-**	**424,552**	**1,160,774**	**50**	**16,305**	**92,352**	**-**	**3,642,340**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,055)**	**-**	**-**	**(7,055)**
Disposal of subsidiary	**-**	**-**	**(8,211,740)**	**(1,445,328)**	**-**	**(4,768,700)**	**-**	**(2,874)**	**-**	**-**	**(14,428,642)**
At 31 December 2024	**13,396,000**	**2,343,270**	**31,058,164**	**950,920**	**3,438,434**	**6,204,310**	**71,747**	**2,677,092**	**3,292,564**	**-**	**63,432,501**
Carrying amount											
At 31 December 2024	**28,900,452**	**6,583,026**	**51,395,094**	**3,430**	**1,505,230**	**2,809,636**	**-**	**178,368**	**257,398**	**33,385,946**	**125,018,580**

8 PROPERTY, PLANT AND EQUIPMENT (continued)

31 December 2023	*Land (i)* *OMR*	*Property, plant and equipment* *OMR*	*Buildings* *OMR*	*Office furniture and equipment* *OMR*	*Hotel fixtures and furniture* *OMR*	*Computers and equipment* *OMR*	*Telephones and conference systems* *OMR*	*Vehicles & Boats* *OMR*	*Marina/ breakwater/ berth seawall* *OMR*	*Capital work-in-progress* *OMR*	*Total* *OMR*
Cost											
At 1 January 2023	40,158,318	8,926,296	313,697,086	2,396,248	21,768,989	35,235,856	71,747	3,382,264	20,185,471	24,988,287	470,810,562
Additions	-	-	520,929	-	410,872	589,056	-	92,478	9,834	15,543,609	17,166,778
Transfers	2,676,659	-	17,741,160	-	-	1,408,209	-	-	-	-	21,826,028
Divestment of Aasaal	(200,000)	-	(226,280,812)	-	(17,281,625)	(19,479,721)	-	(596,334)	(16,645,343)	(3,672,522)	(284,156,357)
Disposals	-	-	-	-	(33,088)	(195,887)	-	-	-	-	(228,975)
At 31 December 2023	42,634,977	8,926,296	105,678,363	2,396,248	4,865,148	17,557,513	71,747	2,878,408	3,549,962	36,859,374	225,418,036
Accumulated depreciation and impairment											
At 1 January 2023	13,396,000	1,834,840	125,784,221	2,309,590	15,840,627	24,935,001	71,697	3,162,500	19,690,507	-	207,024,983
Depreciation [note 6(a)]	-	210,886	6,353,646	86,658	1,779,433	2,651,759	-	47,494	44,187	-	11,174,063
Divestment of Aasaal	-	-	(94,518,726)	-	(14,573,090)	(17,578,637)	-	(539,278)	(16,534,482)	-	(143,744,213)
Disposals	-	-	-	-	(33,088)	(195,887)	-	-	-	-	(228,975)
At 31 December 2023	13,396,000	2,045,726	37,619,141	2,396,248	3,013,882	9,812,236	71,697	2,670,716	3,200,212	-	74,225,858
Carrying amount											
At 31 December 2023	29,238,977	6,880,570	68,059,222	-	1,851,266	7,745,277	50	207,692	349,750	36,859,374	151,192,178

8 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) Land includes plots of land at Madinat Al Irfan (East) Urban Development Project amounting to OMR 6.7 million (2023: OMR 6.7 million) held for construction of infrastructure and buildings to be used by the Group for the conduct of its business. It also includes plots of land at Capital Yacht amounting to OMR 8.3 million (2023: OMR 8.3 million) and land of Yiti OMR 7.8 million (2023: OMR 7.8 million).

(ii) As at 31 December 2024, the Group's management carried out an impairment assessment for properties where indicators were identified. No impairment was recognized based on the assessment (2023: Nil).

(iii) The carrying amount of property, plant and equipment pledged as security for borrowings is OMR 29.7 million (2023: OMR 47.5 million).

(iv) Transfer from capital work in progress (CWIP) comprise of HQ building construction amounting to OMR 14.7 million charged to cost of sales, reversal of CWIP in Destination Tourism Investment Management Company SAOC amounting to OMR 5.9 million and transfer to investment in associate as capital contribution amounting to OMR 1.1 million.

(v) The details of capital work-in-progress are as follows:

	2024	*2023*
	OMR	*OMR*
Yiti Tourism Development Company LLC	**19,914,878**	18,094,519
Shatti Square Project	**2,743,456**	2,656,273
Muscat Beach Property Management Company LLC	**-**	2,722,760
Four Seasons Hotels Project	**5,733,808**	2,624,134
HQ Building	**-**	4,553,636
Irfan East Project	**787,041**	787,041
Ibis Hotel	**760,015**	760,015
Destination Tourism Investment & Hotel Management Company SAOC	**-**	4,226,618
Other projects	**3,446,748**	434,378
	33,385,946	36,859,374

8 PROPERTY, PLANT AND EQUIPMENT (continued)

(vi) The details of Capital advances is as follows:

	2024 OMR	*2023 OMR*
Al Hajry Construction for OMRAN HQ Building	**1,657,570**	2,777,120
Others	**196,633**	640,478
	1,854,203	3,417,598

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Movements in right-of-use assets during the year are as follows:

	2024 OMR	*2023 OMR*
As at 1st January	**1,102,575**	4,837,736
Addition during the year	**2,803,540**	1,353,180
Cancellation of lease	**(136,965)**	(800,000)
Divestment Aasaal	**-**	(3,735,161)
Amortisation for the year	**(135,768)**	(553,180)
	3,633,382	1,102,575
Less: Impairment recognised	**(258,120)**	(258,120)
As at 31 December	**3,375,262**	844,455

(ii) Movements in lease liabilities during the year are as follows:

	2024 OMR	*2023 OMR*
As at 1st January	**1,486,148**	5,656,050
Additions	**2,803,540**	1,353,180
Cancellation of lease	**(155,943)**	(1,377,703)
Accretion of interest	**206,113**	362,748
Lease rental payments	**(38,923)**	(533,437)
Divestment Aasaal	**-**	(3,974,690)
	4,300,935	1,486,148

(iii) Set out below is the carrying amount of lease liabilities as of 31 December:

Lease liabilities		
- Current	**446,788**	441,782
- Non-current	**3,854,147**	5,019,056
Divestment Aasaal	**-**	(3,974,690)
	4,300,935	1,486,148

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(iv) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

	2024 OMR	*2023 OMR*
Depreciation charge on right-of-use assets		
Leasehold rights	**112,270**	470,157
Equipment and vehicles	**23,498**	83,023
	135,768	553,180
Interest and finance charges paid/payable for lease liabilities [note 6(c)]	**206,113**	362,748

The total cash outflows for leases during the current year amounted to OMR 38,923 (2023 – OMR 533,437).

10 INVESTMENT PROPERTIES

	2024 OMR	*2023 OMR*
Balance at 1 January	**98,731,040**	98,721,555
Addition during the year	**97,540,000**	1,049,485
Reversal of impairment	**-**	-
Transfers	**(1,251,774)**	(1,040,000)
Balance at 31 December	**195,019,266**	98,731,040
Investment properties at their carrying values include land held for:		
Commercial, retail and education development [(a)(i)]	**31,299,226**	32,551,000
Commercial and residential development [(a)(ii)]	**92,446,863**	-
Held for capital appreciation [(a)(iii)]	**16,839,000**	16,839,000
Held for future development (b)*	**24,985,966**	22,962,818
Leased to a related party (b)*	**4,436,602**	4,436,602
Held for project under development (c)	**22,537,350**	21,941,620
Leased to a third party (d)	**2,474,259**	-
	195,019,266	98,731,040

10 INVESTMENT PROPERTIES (continued)

(a) Investment properties include land at Madinat Al Irfan (East) ["MAI"] Urban Development Project held for:

(i) Commercial, retail and education development which the Group intends to lease out to third parties. Total value of land is OMR 31,299,226 (2023 – OMR 32,551,000), net of impairment.

(ii) Land held for commercial and residential development under Madinat al Irfan Development Company SAOC which acquired in 2024 amounting OMR 92,446,863.

(iii) Land held for capital appreciation. Total value of land is OMR 16.8 million (2023 - OMR 16.8 million).

(b) Land held for future development pertains to plots own by Muttra Tourism Development Company SPEC (MTDC) amounting to RO 24.99 million (2023 – OMR 22.9 million). The carrying value of the leased property (including the allocated land) amounted to RO 4.4 million (2023 – OMR 4.4 million) which is leased to Sustainable Development and Investment Company SAOC, furthermore additional capital investment of OMR 2.2 million.

(c) This relates to land owned by Yiti Tourism Development Company SAOC with a carrying value of OMR 22.5 million at 31 December 2024. During the year 2024, there is an addition of OMR 0.56 million due to ongoing capital works at Yiti land.

(d) During the year, Group signed an agreement with third party to lease out the Al Batinah Hotel SAOC property, therefore transfer its property plant and equipment to the investment property amounting OMR 2,478,643. (refer note 8)

(e) At 31 December 2024, the directors have assessed that the carrying values of the land properties above approximately at their fair values.

Description of valuation technique used and key inputs and assumptions to arrive at fair valuation for investment property, inventory and property, plant and equipment of MAI (East) is as follows:

	Valuation Technique	***Significant unobservable inputs***	***Range (weighted average)***
MAI Office properties	DCF method (refer below)	Estimated rental value per sqm per month	OMR 8 per sqm per month
		Long-term vacancy rate and running costs	15%
		Yield	8.75%
MAI Retail properties	DCF method (refer below)	Estimated rental value per sqm per month	OMR 9.5 per sqm per month
		Long-term vacancy rate and running costs	15%
		Yield	8.75%
MAI Residential properties	DCF method (refer below)	Average sale value per sqm	OMR 775 per sqm

10 INVESTMENT PROPERTIES (continued)

	Valuation Technique	***Significant unobservable inputs***	***Range (weighted average)***
MAI Hospitality	DCF method (refer below)	Average daily rate (ADR)	OMR 205 -OMR 233
		Commencing occupancy	50%
		Stabilized occupancy	60%
		Non-room revenue	46% in stabilization
		Capitalization rate	7.00%-9.00%
		Discount rate	9.00%- 10.00%

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

Description of valuation technique used and key inputs and assumptions to arrive at fair valuation for investment property, inventory and property, plant and equipment of Yeti land is as follows:

	Valuation Technique	***Significant unobservable inputs***	***Range (weighted average)***
YTDC Office properties	Residual method (refer below)	Estimated sales value per sqm	OMR 115 per sqm
YTDC Retail properties	Residual method (refer below)	Estimated sales value per sqm	OMR 115 per sqm
YTDC Residential properties	Residual method (refer below)	Estimated sales value per sqm	OMR 90 -115 per sqm
YTDC Hospitality	Residual method (refer below)	Estimated sales value per sqm	OMR 100 - 115 per sqm

10 INVESTMENT PROPERTIES (continued)

	Valuation Technique	***Significant unobservable inputs***	***Range (weighted average)***
YTDC Entertainment	Residual method (refer below)	Estimated sales value per sqm	OMR 100 per sqm
YTDC Community Facilities	Residual method (refer below)	Estimated sales value per sqm	OMR 85 per sqm

The residual method is cost based approach to valuation and is a generally accepted method of valuing land which is considered to have development potential. The Gross Development Value (GDV) of the proposed Development is estimated and from this the total cost of the development including an allowance for the developer profit, is deducted to give residual value, which is the value of the site in its present condition.

	Valuation Technique	***Significant unobservable inputs***	***Range (weighted average)***
Office properties	DCF method (refer below)	Estimated price of sale per sqm	OMR 185
		Discount rate	15%
		Marketing and Sales Cost	2.5% of sale price
Retail properties	DCF method (refer below)	Estimated price of sale per sqm	OMR 185
		Discount rate	15%
		Marketing and Sales Cost	2.5% of sale price

At 31 December 2024, the carrying values of all land properties are shown under:

	2024 ***OMR***	*2023* *OMR*
Investment properties	**195,019,266**	98,731,040
Property, plant and equipment (note 8)	**28,900,452**	29,238,977
Inventories (note 12)	**50,337,763**	49,890,267
	274,257,481	177,860,284

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Investment in Associates and joint ventures

The details of the Group's investments accounted for using the equity method are as follows:

31 December 2024		*Equity share %*	*Investment in share capital OMR*	*Advance against share capital (v) OMR*	*Share in cumulative profit or loss and impairment less dividend declared OMR*	*Total OMR*
Muriya Tourism Development Company SAOC	**Associate**	**30%**	**7,657,741**	**878,155**	**(2,201,520)**	**6,334,376**
Al Sifah Tourism Development Company SAOC	**Associate**	**30%**	**12,884,340**	**1,997,320**	**(11,920,140)**	**2,961,520**
Salalah Beach Tourism Development Company SAOC	**Associate**	**30%**	**20,546,387**	**5,590,768**	**(13,883,811)**	**12,253,344**
Sodah Tourism Development Company SAOC	**Associate**	**30%**	**3,809,724**	**46,738**	**(3,104,745)**	**751,717**
International Hotel School LLC (ii)	**Associate**	**50%**	**75,000**	**-**	**(51,796)**	**23,204**
Iskan International Projects FZC	**Associate**	**25%**	**1,160,400**	**652,461**	**(195,233)**	**1,617,628**
Taqah Hotel Management Company LLC (i)	**Associate**	**12.50%**	**2,824,361**	**-**	**(2,834,461)**	**(10,100)**
Saraya Bander Jissah SAOC (ii)	**Associate**	**50%**	**30,000,000**	**6,250,000**	**(14,637,436)**	**21,612,564**
Qatari Diar Ras Al Hadd Development Company SAOC	**Associate**	**30%**	**1,200,000**	**5,820,971**	**(1,523,953)**	**5,497,018**
Al Mouj Muscat SAOC (iii)	**Associate**	**40%**	**23,206,938**	**102,376**	**13,570,067**	**36,879,381**
Muscat National Development and Investment Company SAOC	**Associate**	**24.25%**	**15,783,172**	**233,683**	**(7,358,613)**	**8,658,242**
National Destination for Leisure and Tourism Company SAOC	**Joint venture**	**63.90%**	**24,676,452**	**3,800,000**	**(441,233)**	**28,035,219**
Sustainable Development & Investment Company SAOC	**Joint venture**	**50%**	**227,854**	**44,067,383**	**(2,283,290)**	**42,011,947**
Agritourism Development Company LLC	**Joint venture**	**50%**	**100,000**	**5,000,000**	**(162,100)**	**4,937,900**
Aasaal International Investment SAOC	**Joint control**	**51%**	**65,051,021**	**2,215,137**	**(4,698,858)**	**62,567,300**
Destination Hotel Management Company SAOC	**Associate**	**51%**	**10,771,200**	**-**	**(10,771,200)**	**-**
			219,974,590	**76,654,992**	**(62,498,322)**	**234,131,260**

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investment in Associates and joint ventures (continued)

31 December 2023		*Equity share %*	*Investment in share capital OMR*	*Advance against share capital (v) OMR*	*Share in cumulative profit or loss and impairment less dividend declared OMR*	*Total OMR*
Muriya Tourism Development Company SAOC	Associate	30%	7,657,741	878,155	(2,143,104)	6,392,792
Al Sifah Tourism Development Company SAOC	Associate	30%	12,884,340	1,997,320	(11,389,178)	3,492,482
Salalah Beach Tourism Development Company SAOC	Associate	30%	20,546,387	5,590,768	(13,424,399)	12,712,756
Sodah Tourism Development Company SAOC	Associate	30%	3,809,724	46,738	(3,107,647)	748,815
International Hotel School LLC	Associate	50%	75,000	-	(50,425)	24,575
Iskan International Projects FZC	Associate	25%	1,160,400	652,461	285,105	2,097,966
Taqah Hotel Management Company LLC (i)	Associate	12.50%	2,824,361	-	(2,824,361)	-
Saraya Bander Jissah SAOC (ii)	Associate	50%	30,000,000	6,250,000	(11,935,499)	24,314,501
Qatari Diar Ras Al Hadd Development Company SAOC	Associate	30%	1,200,000	4,859,651	(885,651)	5,174,000
Al Mouj Muscat SAOC (iii)	Associate	40%	23,206,938	102,376	11,232,324	34,541,638
Madinat Al Irfan Development Company SAOC (ii)	Joint venture	50%	2,499,000	32,003,096	(9,557,557)	24,944,539
Muscat National Development & Investment Co SAOC	Associate	24.25%	15,783,172	233,683	(1,450,651)	14,566,204
National Destination for Leisure and Tourism Co SAOC	Joint venture	63.90%	24,676,452	800,000	(33,230)	25,443,222
Sustainable Development & Investment Co SAOC	Joint venture	50%	227,854	35,375,336	(2,375,791)	33,227,399
Agri Tourism Development Co LLC	Joint venture	50%	100,000	-	(82,662)	17,338
Aasaal International Investment SAOC	Joint control	51%	66,612,245	1,187,402	268,103	68,067,750
			213,263,614	89,976,986	(47,474,623)	255,765,977

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investment in Associates and joint ventures (continued)

The movement in the cumulative changes in investments accounted for using the equity method is as follows:

	2024	*2023*
	OMR	*OMR*
At 1 January	**255,765,977**	164,829,133
Share of net results of investments accounted for using the equity method:		
Muriya Tourism Development Company SAOC	**(58,415)**	(60,297)
Al Sifah Tourism Development Company SAOC	**(531,464)**	(758,891)
Salalah Beach Tourism Development Company SAOC	**(458,910)**	(525,050)
Sodah Tourism Development Company SAOC	**2,903**	(15,207)
International Hotel School LLC	**(1,372)**	(1,356)
Iskan International Projects FZC	**(480,338)**	(20,195)
Taqah Hotel Management Company LLC	**(10,100)**	-
Saraya Bander Jissah SAOC	**(2,701,937)**	(2,223,331)
Qatari Diar Ras Al Hadd Development Company SAOC	**(638,302)**	(83,456)
Muscat National Development & Investment Co SAOC	**(5,907,962)**	(454,448)
National Destination for Leisure and Tourism Co SAOC	**(408,003)**	(36,589)
Al Mouj Muscat SAOC	**6,737,742**	2,955,929
Agritourism Development Co LLC	**(79,438)**	(10,025)
Aasaal International Investment SAOC	**(4,966,961)**	268,103
Sustainable Development & Investment Co SAOC	**92,502**	(82,453)
Destination Hotel Management Company SAOC	**(1,389,748)**	-
Share of results for the year	**(10,799,803)**	(1,047,266)
Advances made during the year (net) [(v)]	**18,681,102**	26,714,300
Subsidiary investment partially disposed and retained as joint venture[(vii)]	**(1,561,225)**	66,612,245
Dividend during the year from Al Mouj	**(4,400,000)**	-
Associate transfer to Subsidiary (Madinat al Irfan Development Company SAOC) [b(i)]	**(24,944,539)**	(218,612)
Loss beyond investment being transferred to Liability refer (Note 22)	**1,389,748**	-
Disposal of an associate	**-**	(1,124,326)
At 31 December	**234,131,260**	255,765,977

(i) The Group holds 12.5% shares in Taqah Hotel Management Company LLC ("THMC") but has more than 20% voting rights. In determination of voting rights. the Group has also considered its representation on the Board of Salalah Beach Tourism Development Company SAOC ("SBTC") in which the Group holds 30% of the share capital. At the reporting date, SBTC holds 58.3% shares in THMC. Effective shareholding is 24.16% of Group in THMC.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investment in Associates and joint ventures (continued)

(ii) The Group holds 50% investments in International Hotels School LLC and Saraya Bander Jissah SAOC. As per its agreements with the other shareholders, the Company has assessed that it has significant influence over International Hotels School LLC and Saraya Bander Jissah SAOC. Hence International Hotels School LLC and Saraya Bander Jissah SAOC have been shown as associates.

(iii) The investment is held by Waterfront Investments Company SAOC, a wholly owned subsidiary of the Group.

(iv) Due to legacy misalignment of accounting policies on measurement of investment properties between Al Mouj Muscat SAOC which uses fair value and the Group which uses cost method, the accounting of share in profits in the associate led to an adjustment of OMR 4,326,000 (2023 - OMR 587,000) in the consolidated financial statements during the current period.

(v) Advances represent advances made to equity-accounted investees in respect of the Group's investment in their share capital which is pending allotment with the Ministry of Commerce and Industry and other long-term advances paid to the investees in the nature of investment.

(vi) During the current year, the Company made additional investments of OMR 18.68 million (2023: OMR 26.71 million) in the following associates:

	2024	*2023*
	OMR	*OMR*
Sustainable Development and Investment Company SAOC	**8,692,047**	21,300,000
National Destination for Leisure and Tourism Co SAOC	**3,000,000**	800,000
Salalah Beach Tourism Development Company SAOC	**-**	1,496,364
Qatari Diar Ras Al Hadd Development Company SAOC	**961,320**	1,930,534
Aasaal International Investment SAOC	**1,027,735**	1,187,402
Agritourism Development Co LLC	**5,000,000**	-
	18,681,102	26,714,300

During the year, the Group transfer OMR 1.03 million in kind to investment to associates and JVs.

(vii) Fair value gain on loss of control of investment in subsidiary

	2024
	OMR
Fair value of the investment as per December 2023	**130,612,245**
Fair value of the investment as per completion accounts finalization	**(127,551,020)**
Gain to be reversed	**3,061,225**
Realised gain reversal at subsidiary	**(1,500,000)**
Adjustment to fair value of investment	**1,561,225**

During the year, the Group finalized the completion accounts as per the sale purchase agreement which reduce the consideration to OMR 62.5 million. Thus adjustment to gain recognized last year amounts to OMR 3 million which has been adjusted against the current year profit or loss.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Acquisition / Disposal of Investment

(i) Acquisition of Madinat al Irfan Development Company SAOC

During the current year, Majid Al Futtaim United Real Estate Projects LLC (MAF), has withdrawn from the joint venture and transferred its 50% stake in Madinat Ul Irfan Development Company SAOC' (MAIDCO) to the Group in a share transfer agreement dated 27 June 2024 against a consideration of OMR 21.5 million and accordingly MAIDCO has become a 100% owned subsidiary. For the purpose of recording the transaction, the Group has considered the fair value of the subsidiary company's net assets as at 30 June 2024.

The net assets of MAIDCO mainly comprises of plot of land for commercial and residential development and is therefore recognised as an investment property. For the purpose of the acquisition, the Management conducted fair valuation of the investment property by an independent property valuation expert and using its internal assessment arrived at a fair value of the land as OMR 92.4 million. Considering the above fair valuation of the land, the fair value of the net assets of MAIDCO amounted to OMR 95.2 million.

Fair value of net assets acquired

	2024 OMR
Assets	
Property, plant and equipment	**2,760,974**
Investment properties	**92,446,863**
Other assets	**357,910**
Trade and other receivables	**1,196,295**
Cash and cash equivalents	**64,519**
	96,826,561
Less: Liabilities	
Trade and other payables	**1,621,724**
	1,621,724
Net Assets	**95,204,837**
Purchase consideration for 50% additional shareholding	**21,500,000**

Fair value and bargain purchase gain recognised:

	2024 OMR
Investment in Madinat ul Irfan as Joint Venture	**24,944,539**
Less: fair value of previously held interest	**47,602,419**
Fair value gain	**(22,657,880)**
Fair value of previously held interest	**47,602,419**
Purchase consideration to acquire 50% interest	**21,500,000**
Total consideration	**69,102,419**
Less: fair value of net assets acquired	**(95,204,837)**
Purchase bargain gain on acquisition	**(26,102,418)**
Total gain	**(48,760,298)**

During the year after acquisition, the Company converted OMR 1,440,000 receivable from Madinat al Irfan Development Company SAOC to investment in subsidiary.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Acquisition / Disposal of Investment (continued)

(ii) Acquisition of Al Bustan Palace Hotel

Al Bustan Palace Hotel ("the Hotel"), a commercial undertaking of Ministry of Heritage and Tourism (MOHT) was operated by Luxury Hotels International Management (Oman) LLC, ("Ritz Carlton" or "the Operator") under an operating and management agreement with MOHT until 2011.

On 16 June 2021, a Royal Decree was issued to transfer the supervision i.e. management rights of the Hotel to the Oman Investment Authority (OIA) represented by Omran with the exclusion of the 9th and the 2nd floor of the Hotel. After the transfer of management rights, on 31 August 2022, Omran executed a restated operating agreement with the Operator with an effective date of 28 June 2011 (original agreement date).

The Group executed a usufruct agreement with the MOHT with an effective date of 1 January 2024. As per the agreement, MOHT has granted the usufruct of the Hotel for a duration of 50 years starting January 1, 2024, allowing it to utilize, occupy, and develop the land, including constructing necessary infrastructure for commercial purposes for a consideration to be paid to Ministry of OMR 151,792 per year payable fifth year onwards from the effective date.

	2024
	OMR
Investment in Al Bustan hospitality and investment Company	**250,000**
Net assets of entity at acquisition date	**(1,849,875)**
Purchase bargain gain on acquisition	**(1,599,875)**

(iii) **Acquisition of Salalah Villas Company SPC**

	2024
	OMR
Investment in Salalah Villas SPC	**150,000**
less: net liabilities of entity at acquisition date	**(322,553)**
Goodwill on acquisition of Salalah Villas Company SPC	**472,553**
Impairment	**(472,553)**
Goodwill to be recognised	**-**

(iv) During the year 2023, the Company acquired an additional 56% of the shareholding in Al Batinah Hotels Company SAOC on the date of acquisition 1st October 2023, the carrying value of its net assets was as follows:

	2023
Assets	*OMR*
Property, plant and equipment	**2,741,160**
Inventories	**4,357**
Other assets	**18,153**
Trade receivables	**3,522**
Cash and cash equivalents	**12,276**
	2,779,468
Less: Liabilities	
Borrowings	**226,098**
Lease liabilities	**121,849**
Government grants	**161,464**
Employee benefit obligation	**1,216**
Trade and other payables	**1,501,486**
Other liabilities	**217,910**
	2,230,023
Net Assets	**549,445**
Purchase consideration	**937,025**

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Acquisition / Disposal of Investment (continued)

Acquisition of Al Batinah Hotels Company SAOC, details are below as it is step-acquisition:

	2023 ***OMR***
Carrying value of the investment	**218,612**
Additional investment during the year	**718,413**
Total investment	**937,025**

During the year 2024, the Group conducted PPA for Al Batinah Hotels SAOC but the impact for the recognised goodwill is not material thus management did not incorporate any change to the transaction recognised in prior year.

(v) **Bargain purchase gain on acquisition**

	2024 ***OMR***
MAIDCO	**48,760,298**
Al Bustan Palace Hotel	**1,599,875**
Salalah Villas Company SPC (goodwill impairment)	**(472,553)**
	49,887,620

(vi) During the year, Destination Hotel Management Company SAOC non-controlling interest shareholders (pension funds) joined under single fund as per decree thus board representation of the Group and non-controlling interest become equal and the Group lost the control at subsidiary and moved the investment from subsidiaries to investment accounted for using the equity method. Following were the net assets of DHM at the disposal date.

Assets	
Property, plant and equipment	**25,936,399**
Inventories	**70,824**
Other assets	**223,401**
Trade receivables	**357,821**
Other financial assets at amortised cost	**169,276**
Cash and cash equivalents	**91,881**
	26,849,602
Less: Liabilities	
Borrowings	**31,456,926**
Lease liabilities	**10,302**
Employee benefit obligation	**53,715**
Trade and other payables	**3,089,256**
	34,610,199
Net Liabilities	**(7,760,597)**
NCI disposed off	**(3,802,693)**
Loss beyond investment at disposal date	**(3,957,904)**

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The summarised financial information of the Group's investments accounted for using the equity method are as follows:

31 December 2024	***Net assets OMR***	***Total assets OMR***	***Total liabilities OMR***	***Income OMR***	***Expenses OMR***	***Results OMR***	***Share of results recognised OMR***
	-----000-----						
Muriya Tourism Development Company SAOC	**21,132**	**23,507**	**2,375**	**-**	**195**	**(195)**	**(58)**
Salalah Beach Tourism Development Company SAOC	**58,160**	**86,509**	**28,349**	**13,874**	**15,404**	**(1,530)**	**(459)**
Al Sifah Tourism Development Company SAOC	**14,464**	**51,907**	**37,443**	**10,568**	**12,339**	**(1,771)**	**(531)**
Sodah Tourism Development Company SAOC	**2,507**	**5,933**	**3,426**	**95**	**85**	**10**	**3**
International Hotels School LLC	**47**	**65**	**18**	**-**	**2**	**(2)**	**(1)**
Qatari Diar Ras Al Hadd Development Company SAOC	**19,538**	**24,532**	**4,994**	**200**	**358**	**(158)**	**(638)**
Saraya Bander Jissah SAOC	**30,725**	**142,577**	**111,852**	**17,615**	**23,019**	**(5,404)**	**(2,702)**
Taqah Hotel Management Company LLC	**(3,590)**	**28,571**	**32,161**	**7,909**	**9,830**	**(1,921)**	**(10)**
Iskan International Projects FZC	**8,540**	**8,730**	**190**	**185**	**266**	**(81)**	**(480)**
Al Mouj Muscat SAOC	**103,372**	**256,964**	**153,592**	**86,917**	**74,398**	**12,519**	**6,738**
Muscat National Development and Investment Company SAOC	**37,960**	**69,568**	**31,608**	**661**	**23,787**	**(23,126)**	**(5,908)**
National Destination for Leisure and Tourism Company SAOC	**43,287**	**48,791**	**5,504**	**-**	**342**	**(342)**	**(408)**
Sustainable Development & Investment Company SAOC	**-**	**-**	**-**	**-**	**-**	**-**	**93**
Agritourism Development Company LLC	**9,708**	**11,098**	**1,390**	**27**	**185**	**(158)**	**(79)**
Aasaal International Investment SAOC	**59,421**	**160,646**	**101,225**	**40,318**	**49,452**	**(9,134)**	**(4,967)**
Destination Hotel Management Company SAOC	**(9,257)**	**26,828**	**36,085**	**3,661**	**6,386**	**(2,725)**	**(1,390)**

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

31 December 2023	*Net assets OMR*	*Total assets OMR*	*Total liabilities OMR*	*Income OMR*	*Expenses OMR*	*Results OMR*	*Share of results recognised OMR*
	---000	---					
Muriya Tourism Development Company SAOC	21,362	23,582	2,220	-	201	(201)	(60)
Salalah Beach Tourism Development Company SAOC	59,579	87,800	28,220	22,899	24,649	(1,750)	(525)
Al Sifah Tourism Development Company SAOC	17,319	59,365	42,046	9,086	11,615	(2,529)	(759)
Sodah Tourism Development Company SAOC	4,503	5,920	1,417	103	153	(50)	(15)
International Hotels School LLC	50	67	17	-	3	(3)	(1)
Qatari Diar Ras Al Hadd Development Company SAOC	3,044	22,406	19,362	69	347	(278)	(83)
Saraya Bander Jissah SAOC	36,129	150,703	114,574	20,043	24,490	(4,447)	(2,223)
Taqah Hotel Management Company LLC	(1,678)	28,204	29,882	7,598	8,644	(1,046)	-
Iskan International Projects FZC	8,433	8,618	185	52	132	(80)	(20)
Al Mouj Muscat SAOC	101,867	292,201	190,334	70,208	62,818	7,390	2,956
Madinat Al Irfan Development Company SAOC	12,783	14,980	2,197	-	-	-	-
Muscat National Development and Investment Company SAOC	62,339	66,166	3,827	496	2,164	(1,668)	(454)
National Destination for Leisure and Tourism Company SAOC	40,484	59,087	18,603	255	312	(57)	(37)
Sustainable Development & Investment Company SAOC	44,495	56,994	12,499	5,842	6,007	(165)	(82)
Agritourism Development Company LLC	(147)	673	820	-	20	(20)	(10)
Aasaal International Investment SAOC	67,486	166,011	98,525	42,160	49,813	(7,653)	268,103

12 INVENTORIES

	2024	2023
	OMR	OMR
Land held for resale (i) and (ii)	**57,797,763**	57,350,267
Less: provision for slow- moving and obsolete inventories and impairment	**(7,460,000)**	(7,460,000)
	50,337,763	49,890,267
Food and beverage	**156,097**	205,147
Others	**54,384**	233,760
	50,548,244	50,329,174

Land held for resale includes followings;

(i) Land held for residential development at Madinat Al Irfan (East) Urban Development Project with a carrying value of OMR 25 million (2023 – 25 Million) after recording of net impairment loss of OMR 7.46 million.

(ii) Land held for sale as part of the mixed-use tourism development project located in Yiti with a carrying value of OMR 25 million (2023 – OMR 25 million).

Inventories held for sale are expected to be sold, consumed or realised in the normal operating cycle of the company and is accordingly presented within current asset even though is expected to be realised in practice after more than twelve months from the reporting date.

The movement in provision for slow-moving and obsolete inventories is as follows:

	2024	2023
	OMR	OMR
Balance at 1 January and December	**7,460,000**	7,460,000

13 OTHER ASSETS

	2024	2023
	OMR	OMR
Advances to suppliers	**167,389**	1,824,332
Prepayments	**-**	177,777
	167,389	2,002,109

14 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2024	*2023*
	OMR	*OMR*
Contract asset	**20,932,800**	-
Trade receivables	**11,571,142**	5,054,051
Less: provision for expected credit losses (a)	**(1,421,482)**	(1,016,569)
	31,082,460	4,037,482

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(a) The movement in the provision for expected credit losses is as follows:

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**1,016,569**	2,045,405
Net provision / (reversal) during the year [note 31(ii)]	**404,913**	(1,028,836)
Balance at 31 December	**1,421,482**	1,016,569

15 OTHER FINANCIAL ASSETS AT AMORTISED COST

Other financial assets at amortised cost include:

	2024	*2023*
	OMR	*OMR*
Due from other related parties [26(ii)]	**22,151,886**	20,482,626
Due from the Oman Investment Authority [26(ii)]	**1,283,890**	1,283,890
Due from the Ministry of Tourism [26(ii)]	**360,929**	360,929
Other receivables	**3,501,028**	36,120,347
Retention receivable	**217,189**	213,779
Less: provision for expected credit losses (a)	**(743,432)**	(743,432)
	26,771,490	57,718,139

(a) The movement in the provision for expected credit losses is as follows:

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**743,432**	743,432
Provided during the year [note 31(ii)]	**-**	-
Balance at 31 December	**743,432**	743,432

16 FIXED DEPOSITS

	2024	*2023*
	OMR	*OMR*
Fixed deposits (i)	**6,618,404**	39,697,929
Less: provision for expected credit losses [note 17(b)]	**(27,584)**	(102,584)
	6,590,820	39,595,345
Less: non-current portion	**-**	-
Current portion	**6,590,820**	39,595,345

(i) The fixed and call deposits are placed with Islamic windows of commercial banks in Oman that have a maturity period of 6 months to 1 year. Deposit with a maturity of 1 year from the date of placement are shown as non-current asset. The deposits carry profit share and interest rates / profit share ranging from 5% -6% per annum (2023 - from 5% to 6% per annum). At the end of the reporting period, there is no non-current portion of fixed deposits (2023 – Nil).

17 CASH AND CASH EQUIVALENTS

	2024	*2023*
	OMR	*OMR*
Current accounts	**6,386,423**	6,109,274
Call and short-term deposit (i)	**27,222,728**	361,928
Margin money	**102,398**	59,676
Less: provision for expected credit losses (b)	**(107,643)**	(31,193)
	33,603,906	6,499,685
Cash on hand	**29,183**	42,075
	33,633,089	6,541,760

(i) Call deposits with commercial banks in Oman carry interest at rates ranging from 2.5% - 5% per annum (2023 - from 2.5% to 5% per annum).

(a) Classification as cash equivalents

Cash and cash equivalents include cash on hand, all bank balances, including deposits with a maturity three months or less from the date of placement.

17 CASH AND CASH EQUIVALENTS (continued)

(b) The movement in the provision for expected credit losses is as follows:

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**133,777**	150,709
Reversal during the year	**1,450**	(3,393)
Aasaal Divestment	**-**	(13,539)
31 December	**135,227**	133,777
Relating to cash and cash equivalents	**107,643**	31,193
Relating to fixed deposits (note 16)	**27,584**	102,584
	135,227	133,777

(c) Net debt reconciliation

	2024	*2023*
	OMR	*OMR*
Cash and cash equivalents	**(33,633,089)**	(6,541,760)
Borrowings	**55,794,586**	74,565,452
Lease liabilities	**4,300,935**	1,486,148
Net debt	**26,462,432**	69,509,840

	Other assets	***Liabilities from financing activities***		
31 December 2024	***Cash and cash equivalents OMR***	***Borrowings OMR***	***Lease liabilities OMR***	***Total OMR***
Net debt as at 1 January	**(6,541,760)**	**74,565,452**	**1,486,148**	**69,509,840**
Cash flows	**(27,091,329)**	**12,204,815**	**(38,923)**	**(14,925,437)**
Disposal of DHM	**-**	**(31,219,999)**	**-**	**(31,219,999)**
Other changes(i)		**244,318**	**2,853,710**	**3,098,028**
Net debt as at 31 December	**(33,633,089)**	**55,794,586**	**4,300,935**	**26,462,432**

17 CASH AND CASH EQUIVALENTS (continued)

(c) Net debt reconciliation (continued)

	Other assets	*Liabilities from financing activities*		
31 December 2023	*Cash and cash equivalents*	*Borrowings*	*Lease liabilities*	*Total*
	OMR	*OMR*	*OMR*	*OMR*
Net debt as at 1 January	(10,139,435)	106,363,088	5,656,050	101,879,703
Cash flows	(2,433,077)	29,927,009	(557,960)	26,935,972
Aasaal divestment	6,079,313	(62,076,793)	(3,974,690)	(59,972,170)
Other changes(i)	(48,561)	352,148	362,748	666,335
Net debt as at 31 December	(6,541,760)	74,565,452	1,486,148	69,509,840

(i) Other changes include non-cash movement, including accrued interest expenses which will be presented as financing cash flows in the statement of cash flows when paid.

18 SHARE CAPITAL AND SHARE CAPITAL PROPOSED FOR REGISTRATION

The authorised share capital of the Parent Company is 830 million (2023- 600 million shares of OMR 1 each) ordinary shares of OMR 1 each. As at 31 December 2024, the fully subscribed and paid-up share capital amounted to OMR 827,603,136 (2023 - OMR 827,603,136) comprising of 827,603,136 shares at OMR 1 each (2023 - 827,603,136 shares of OMR 1 each). During the year, the Parent Company received OMR 5,000,000 investment in one of the group entity from shareholder OIA.

19 LEGAL RESERVE

In accordance with the Article 106 of the Commercial Companies' Law of 2019, annual appropriations of 10% of the profit for the year is made to this reserve until the accumulated balance of the reserve is equal to one-third of the value of the Parent company's or respective subsidiaries paid-up share capital. The legal reserve in these consolidated financial statements represent a sum of amounts transferred by the Parent company and subsidiaries to legal reserve. This individual legal reserve in the respective companies are not available for distribution.

20 BORROWINGS

	2024	*2023*
	OMR	*OMR*
Current borrowings	**18,085,916**	10,074,912
Non-current borrowings	**37,708,670**	64,490,540
	55,794,586	74,565,452

20 BORROWINGS (continued)

(i) During the year 2024, the Company secured a two year facility with a local Islamic commercial bank of OMR 11 million at a profit rate of 6.75% out of which the Company has made drawdowns of OMR 3.1 million. Furthermore, during the year 2023, the facilities obtained were OMR 12 million from Ahli Bank and OMR 10 million from National Bank of Oman for the period of 3 years and 1 year respectively at margin rate above CBO benchmark is 2.65% p.a. and 1.90% p.a. respectively. In current year, the Company has repaid the debt of National Bank of Oman amounting to OMR 7.5 million and then extended the existing the facility to OMR 20 million and made drawdowns of OMR 14 million. The amounts are fully repayable in one bullet payment at the end of the loan tenure.

Management performed the covenant testing pertaining to the Ahli bank facility for current ratio not to be below 1 and total net worth not to be below OMR 450 million at consolidated financial statement of group. The Group is in compliance with financial covenants at year end.

(ii) Destination Tourism Investment Management Co SAOC a wholly owned subsidiary signed a long-term facility with Ahli Bank for OMR 18.5 million for the JW-Marriot Hotel project. The total carrying amount of the loan as of 31 December 2024 is OMR 17.73 million (2023 – 17.85) repayable in semi-annual instalments commencing from 31 December 2024 in escalated instalments until June 2036, when a bullet payment of OMR 4.6 million will be paid. The loan carries a variable interest payable semi-annually and subject to annual review at private sector time deposit rate as per CBO publications plus 2% margin. The subsidiary company has paid upfront fees amounting to OMR 157,250 on the term loan, the upfront fees is amortized over the loan term based on effective interest rate basis. The term loan is secured mainly against the property, plant and equipment owned by the entity note 9. The subsidiary company has obtained a waiver from the bank to comply the financial covenants until 2024.

(iii) The Yiti Group entered into a term loan agreement with Oman Arab Bank SAOG for a total term loan value amounting to OMR 22.98 million of which an amount of OMR 8.88 million as of 31 December 2024 was drawn down. The loan is subject to an interest rate of 6.25% (2023 – 6.25%) per annum and will be quarterly reviewed by the bank thereon. The loan is payable from the year 2026 in semi-annual instalments over a period of 13 years after a moratorium period (i.e., 2 years from signing facility letter). The term loan is secured by a first legal charge over usufruct land and commercial mortgage over all the tangibles and intangible assets (including licenses). The loan is subject to certain debt covenants which the Company has complied with as at 31 December 2024.

(iv) The movement in borrowings is as follows:

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**74,565,452**	106,363,088
Proceeds from borrowings	**19,748,354**	30,071,574
Divestment of Aasaal	**-**	(62,076,793)
DHM Loan due lost of control	**(31,219,999)**	-
Borrowings paid during the year	**(7,543,539)**	(1,047,765)
Unpaid interest accrued	**481,245**	1,399,913
Deferred finance cost	**(236,927)**	(144,565)
Balance at 31 December	**55,794,586**	74,565,452

20 BORROWINGS (continued)

(v) The fair values of the borrowings approximate the carrying values because the interest rate on the borrowings approximates the market interest rate at the reporting date (level 2).

(vi) The unamortized transaction cost for borrowings is OMR 236,927 (2023: OMR 144,565).

21 GOVERNMENT GRANTS

	2024 OMR	*2023 OMR*
Deferred government grants (i), (ii), (iii)	**16,984,864**	17,758,808
Less: current portion of deferred government grant	**(710,357)**	(710,357)
Non-current portion of deferred government grant	**16,274,507**	17,048,451

(i) In the year 2012, an amount of OMR 2.1 million was transferred by MOF to Oman Tourism College as capital grant. During the year, OMR 45,963 was amortized. The balance as at 31 December 2024 is OMR 279,267 (2023 – OMR 325,230).

(ii) The fixed assets of OCEC were transferred to the Group at a fair value of OMR 15 million, which was accounted for as government grant. Management determined the useful life of the building to be 35 years, based on which the grant is amortized to profit and loss.

(iii) Furthermore, the Group received a grant amounting to OMR 1.4 million for the development of Zip-line in Musandam Government which was developed on the land leased by the Company. This asset is estimated to have a useful life of 5 years and the grant will be amortized against the same period.

The movement in government grant is as follows:

	2024 OMR	*2023 OMR*
Balance at 1 January	**17,758,808**	7,843,163
Additions during the Year	**-**	17,862,860
Divestment of Assal	**-**	(7,133,832)
Amortized during the year [note 6(b)]	**(773,944)**	(813,383)
Balance at 31 December	**16,984,864**	17,758,808

22 TRADE AND OTHER PAYABLES

	2024	*2023*
	OMR	*OMR*
Accrued expenses	**12,764,093**	8,181,865
Trade payables	**7,228,870**	6,233,659
Other payables	**1,353,697**	8,028,357
Retentions payable	**3,771,866**	324,972
Due to related parties [note 26(iii)]	**2,663,096**	8,482,862
Contract liabilities	**272,877**	4,173,226
Income tax payable [note 7(c)]	**380,100**	171,644
Losses beyond investment [note (11)(a)] (i)	**5,347,652**	-
	33,782,251	35,596,585
Less: Non-current portion	**(2,933,259)**	(5,187,058)
31 December	**30,848,992**	30,409,527

(i) During the year, the group has recognized the further provision on account of losses beyond investment over its equity investment in DHM amounting to OMR 1.4 million.

23 OTHER LIABILITIES

	2024	*2023*
	OMR	*OMR*
Advances from customers	**1,721,058**	1,388,129
Others	**-**	430,943
	1,721,058	1,819,072
Less: current portion of advances from customers	**(10,411)**	(10,411)
31 December	**1,710,647**	1,808,661

24 PROVISION FOR EMPLOYEE BENEFITS

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**349,625**	1,344,648
Charge for the year [note 6(a)]	**480,671**	380,849
Divestment of Assal	**-**	(1,328,747)
Payment	**(57,869)**	(47,125)
Balance at 31 December	**772,427**	349,625

25 LOAN FROM PARENT

During the year OIA provide RO 21.5 million as loan to the Company to acquire 50% investment in Madinat ul Irfan Development Company SAOC from Majid Al Futtaim United Real Estate Projects LLC. [Note 11b(i)].

	2024	*2023*
	OMR	*OMR*
Loan from parent	**21,500,000**	-

26 RELATED PARTY TRANSACTIONS AND BALANCES

The Group is owned by OIA which is the Sovereign Wealth Fund of Oman and fully controlled by Government of Oman. The Group entered into transactions in the ordinary course of business with shareholders, entities in which certain members and senior management have significant influence and entities in which the Group has entered into management agreements (other related parties).

(a) Related parties represent the entities under common control of the Group, directors and key management personnel of the Group and its shareholders and entities over which Group has significant influence or joint control.

(b) Transactions with related parties represent transactions with shareholders, directors and senior management of the Group, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group has applied the exemptions as allowed for 'Government entities' under IAS 24 – 'Related party disclosures', for disclosure of transactions and balances with another entity that is a related party because of the Government having control or joint control of, or significant influence over, both the Group and the other entity, except for transactions and balances material to the Group.

(c) Other transactions with investments accounted for using the equity method are disclosed in respective notes to the consolidated financial statements.

(i) Transactions with related parties during the year are as follows:

	2024	*2023*
	OMR	*OMR*
(a) Revenue from services and other income		
Ministries	**235,606**	2,132,168
OIA	**1,295,588**	12,594,068
Other related parties	**200,000**	2,011,513
31 December	**1,731,194**	16,737,749

26 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(ii) Due from related parties as at year-end (note 15):

	2024	*2023*
	OMR	*OMR*
OIA	**1,283,890**	1,283,890
Madinat Al Irfan Development Company SAOC	**-**	1,440,000
Al Moue Muscat SAOC	**2,000,000**	1,600,000
Ministry of Tourism	**360,929**	360,929
Assal International Investment SAOC	**11,816,430**	10,472,598
Sustainable Development & Investment Co SAOC	**4,200,000**	-
Destination Hotel Management Company SAOC	**4,135,456**	-
Other related parties	**-**	3,719,539
	23,796,705	18,876,956

Provision for expected credit losses on due from related parties charged to the consolidated statement of profit or loss and other comprehensive income, net of recoveries, during the year is Nil (2023 - OMR 457,211).

(iii) Due to related parties (note 22) as at year-end:

	2024	*2023*
	OMR	*OMR*
OIA contract liability	**-**	3,664,746
Ministry of Finance	**1,333,333**	1,333,333
Others	**1,329,763**	3,899,040
	2,663,096	8,897,119

(iv) Key management compensation:
The remuneration of directors and other members of key management during the year was as follows:

	2024	*2023*
	OMR	*OMR*
Directors' remuneration and sitting fees	**49,154**	35,050
Salaries and other benefits	**2,095,273**	1,995,498
Employees' end of service benefits	**1,314,879**	1,252,266
	3,459,306	3,282,814

27 GOODWILL

Following is the movement during the year.

	2024	*2023*
	OMR	*OMR*
Balance at 1 January	**696,611**	210,131
Goodwill - acquisition	**-**	486,480
Impairment of Good-will	**(696,611)**	-
Balance at 31 December	**-**	696,611

The accounting for the acquisition will be revised on completion of Purchase Price Allocation within a period of 12 months from the date of acquisition as allowed under IFRS 3 “Business Combinations”. However, Group recognize the good-will amounting OMR 486,480 in the financial statements.

28 COMMITMENTS

As at 31 December 2024, the Group has capital commitments amounting to OMR 5 million (2023: OMR 7.2 million).

In addition to above the Parent has provided corporate guarantees to the lenders of the following entities:

1. Destination Hotel Management Company SAOC 51% of (OMR 32 million Borrowings)
2. Al Assal Hotels and Resorts SAOC 100% of (OMR 32 million Borrowings)
3. Destination Tourism Investment Management Company SAOC 100% of (OMR 18.5 million Borrowings)
4. Alli Salalah SAOC 100% of (OMR 14.2 million Borrowings)
5. Yeti Hospitality Investment Company SPC 100% of (OMR 22.98 million Borrowings)

29 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are either measured at fair value or are short term in nature, carry interest rate which are based on prevailing market interest rates and are expected to be realized at their current carrying values.

	2024	*2023*
	OMR	*OMR*
Financial assets (at amortized cost)		
Cash & cash equivalents	**33,633,089**	6,541,760
Trade receivables and other current assets	**31,082,460**	4,037,482
Due from other related parties	**22,151,886**	20,482,626
Due from the Oman Investment Authority	**1,283,890**	1,283,890
Due from the Ministry of Tourism	**360,929**	360,929
Other receivables	**3,501,028**	36,120,347
Retention receivable	**217,189**	213,779
	92,230,471	69,040,813

	2024	*2023*
	OMR	*OMR*
Financial liabilities (at amortized cost)		
Liabilities at amortized cost:		
Trade and other payables (excluding non-financial liabilities)	**24,848,363**	26,064,657
Lease liabilities	**4,300,935**	1,486,148
Loan from parent	**21,500,000**	-
Borrowings	**55,794,586**	74,565,452
	106,443,884	102,116,257

30 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to OIA and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to OIA, issue new shares or sell assets to reduce debt, if any.

The capital of the Group comprises share capital (including proposed share capital for registration), legal reserves and retained earnings. The Directors' policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital. Capital requirements are prescribed by the Commercial Companies Law of 2019.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus lease liabilities less cash and cash equivalents. Total capital is calculated as 'Total equity' as shown in the consolidated statement of financial position plus net debt.

30 CAPITAL RISK MANAGEMENT (continued)

Gearing ratio:
The gearing ratio at year end was as follows:

	2024	*2023*
	OMR	*OMR*
Total borrowings	**55,794,586**	74,565,452
Lease liabilities	**4,300,935**	1,486,148
Loan from parent	**21,500,000**	-
Less: cash and cash equivalents	**(33,633,089)**	(6,541,760)
Net debt	**47,962,432**	69,509,840
Total equity	**573,327,436**	539,296,178
Total capital	**621,289,868**	608,806,018
Gearing ratio	**0.08**	0.11

31 FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by management under policies approved by those charged with governance.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is exposed to market risk, which is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises two types of risk - currency risk and interest rate risk.

Currency risk:
Foreign exchange risk is the risk of loss due to volatility in the exchange rates. The Group has minimal foreign currency transactions, and these transactions are mostly in US Dollar or in other currencies which are pegged to the US Dollar.

Interest rate risk:
The Group's exposure to the risk of changes in market interest rates relates primarily to the short term deposits and term loans with banks which carry variable interest on commercial terms.

31 FINANCIAL RISK MANAGEMENT (continued)

(i) Market risk (continued)

Interest rate risk: (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows:

	2024	*2023*
	OMR	*OMR*
Variable rate borrowings	**55,794,586**	74,565,452

Profit or loss is sensitive to change in the interest rate as below:

		2024	*2023*
		OMR	*OMR*
Interest rates – Increase by 1%	Profit/ (loss) will (decrease)/increase by	**(557,946)**	(745,655)
Interest rates – decrease by 1%	Profit/ (loss) will increase/ (decrease) by	**557,946**	745,655

(ii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and financing activities.

Cash and cash equivalents (excluding cash in hand) and fixed deposits :

At 31 December 2024, though the Group has significant bank balances, management believes that the credit risk arising out of cash and cash equivalents are minimal as these are placed with local banks with good market standing. The exposure to credit risk on Government receivables for projects is considered to be minimal by the Group's management. The Group monitors its position on a regular basis.

Calculation of expected credit loss for dues from banks and including fixed deposits, on general approach.

31 December 2024	***Bank balances OMR***	***Expected credit loss OMR***
Credit Rating (Baseline credit assessment)		
Baa1	**32,769,021**	**98,061**
Baa2	**4,339,618**	**22,956**
Baa3	**994,262**	**4,792**
Unrated	**2,227,052**	**9,417**
	40,329,953	**135,226**

31 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

31 December 2023	*Bank balances OMR*	*Expected credit loss OMR*
Credit Rating (Baseline credit assessment)		
Baa1	37,561,976	97,010
Baa2	4,974,352	22,710
Baa3	1,139,688	4,741
Unrated	2,552,791	9,316
	46,228,807	133,777

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

On an ongoing basis ageing of receivables is monitored against credit limits set. The Group's operations do not require collateral in respect of financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. The hotels do not have any significant concentration of credit risk from private companies.

The following table shows the analysis of trade receivables of the Group at the reporting date:

Gross	***2024 OMR***	*2023 OMR*
Government	**3,987,665**	1,741,735
Corporate customers	**30,326,869**	2,239,317
Local travel agents	**1,462,821**	638,932
Credit cards	**696,691**	304,301
Other receivables	**297,096**	129,766
	36,771,142	5,054,051

31 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

Trade receivables (continued)

Calculation of expected credit loss provision for trade receivables – Simplified approach

31 December 2024	***Expected credit loss rate***	***Estimated total gross carrying amount at default OMR***	***Expected credit loss OMR***
Current	**2%**	**23,785,255**	**561,049**
> 30 days	**6%**	**3,357,605**	**201,456**
30 - 60 days	**9%**	**1,066,698**	**96,003**
61 - 90 days	**12%**	**1,748,438**	**206,542**
> 91 days	**14%**	**2,545,946**	**356,432**
Total		**32,503,942**	**1,421,482**

31 December 2023	*Expected credit loss rate*	*Estimated total gross carrying amount at default OMR*	*Expected credit loss OMR*
Current	5%	1,245,897	62,294
> 30 days	12%	1,466,537	175,984
30 - 60 days	22%	465,913	103,707
61 - 90 days	33%	763,684	252,016
> 91 days	38%	1,112,020	422,568
Total		5,054,051	1,016,569

Other financial assets at amortised cost mainly comprises amounts due from other related parties, government entities, retention receivables and other receivables. In case of due from ministries and unrated parties, the Group has applied the general approach. In case of due from ministries the probability of default was arrived at by mapping the sovereign rating of the Sultanate of Oman to publicly available probability of default from Moody's. For unrated parties, probability of default was arrived at by mapping annual issued weighted corporate default rates from Moody's.

31 FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk (continued)

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the end of the reporting period was on account of:

	2024	*2023*
	OMR	*OMR*
Trade receivables and other current assets	**404,913**	(1,028,836)
Other financial assets at amortised cost	**-**	-
cash equivalents	**1,450**	(3,393)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility) and cash and cash equivalents on the basis of expected cash requirements.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments:

31 December 2024	***1 year or less OMR***	***1 to 2 years OMR***	***2 to 5 years OMR***	***Beyond 5 years OMR***	***Total OMR***
Trade and other payables	**30,848,992**	**1,173,304**	**1,026,641**	**733,315**	**33,782,252**
Loan from parent	**-**	**21,500,000**	**-**	**-**	**21,500,000**
Borrowings	**18,085,916**	**450,000**	**13,000,000**	**24,258,670**	**55,794,586**
Lease liabilities	**446,788**	**893,576**	**3,574,304**	**(613,733)**	**4,300,935**
	49,381,696	**24,016,880**	**17,600,945**	**24,378,252**	**115,377,773**

31 December 2023	*1 year or less OMR*	*1 to 2 years OMR*	*2 to 5 years OMR*	*Beyond 5 years OMR*	*Total OMR*
Trade and other payables	30,409,527	2,074,823	1,815,470	1,296,765	35,596,585
Borrowings	10,074,912	10,000,000	19,500,000	34,990,540	74,565,452
Lease liabilities	441,782	31,540	47,310	965,516	1,486,148
	40,926,221	12,106,363	21,362,780	37,252,821	111,648,185

32 COMPARATIVE FIGURES

Certain comparatives information has been reclassified in order to conform to the presentation for the current year. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.