

**DHOFAR INTERNATIONAL DEVELOPMENT AND
INVESTMENT HOLDING COMPANY SAOG
AND ITS SUBSIDIARIES**

**UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2023**

Registered office and principal place of business:
P.O Box 2163, PC 211
Salalah
Sultanate of Oman

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
AND ITS SUBSIDIARIES**

CONSOLIDATED AND PARENT COMPANY UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

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DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CHAIRMAN'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Un-audited Financial Results of Dhofar International Development & Investment Holding Company SAOG ("DIDIC") for the period ending 30th June 2023.

During the first six months of 2023, most of the securities markets in the region, including Muscat Stock Exchange (MSX) showed marginal losses in their respective indices. MSX dipped by 104 points and closed at 4768.22 points as on June 30, 2023 which is a 2.14% drop over the six months period. Most other indices in the GCC region also witnessed a drop during this period, ranging from 2% to 8.55%.

During the six months period, the Company's investments in equities at a group level recorded a decrease of RO 0.720 million on account of drop in the prices of its key equity investments.

Group Consolidated Performance

During the six months period ending 30th June 2023, Net Profits were RO 2.13 million and the total comprehensive income attributable to our shareholders amounted to RO 2.96 million as compared to net profit of RO 5.40 million and total comprehensive profit of RO 4.37 million for the same period in 2022.

The Group ended the first six months of 2023 with total assets of RO 221.74 million, a marginal decrease of 1.6% while shareholders' equity of RO 129.19 million registered an increase of 4.5% from the first six months of 2022 where total assets amounted to RO 225.35 million and shareholders' equity attributable to our shareholders was RO 123.57 million.

Performance of Key Associates

Bank Dhofar, our banking associate, reported after tax net profit of RO 18.433 million for the six months period ended 30 June 2023 as compared to RO 16.447 million for the same period in 2022, representing an increase of 12%. The net interest income and income from Islamic financing activities decreased to RO 56.996 million compared to RO 59.046 million during same period of 2022 registering a marginal decrease by 3.5%. However, non-funded income for the period was 59.57% higher compared to same period last year mainly due to increase in net fees & commission income. Net loans and advances including Islamic financing witnessed an increase of 10% and reached RO 3.924 billion as at 30 June 2023 as compared to RO 3.565 billion as at 30 June 2022. Similarly, customer deposits including Islamic deposits, increased by 4.03% compared to comparative period of last year. Total shareholders' equity in the bank registered an increase by 2.70%, increasing to RO 549.892 million from RO 545.155 million a year prior.

Dhofar Insurance, our insurance associate reported a growth of 16.78% of gross premium written to RO 45.17 million from RO 38.68 million a year earlier for the six months period. Also, its net underwriting results showed an improvement of 9.21% from RO 4.451 million in the first six months of 2022 to RO 4.861 million a year later. It reported net profit of RO 2.25 million for the first six months period of 2023 as compared to RO 2.100 million a year earlier. The shareholders' equity has increased by 20%, from RO 27.34 million as at 30 June 2022 to RO 32.74 million as at 30th June 2023.

Oman Investment & Finance Company, our billing and collection associate that has also ventured into money exchange and contracting operations through two specialized subsidiaries, had its revenue marginally declined in its group operations in the first six months of 2023 by 3%, with net profits decreasing by 26% to RO 2.19 million from RO 2.97 million a year earlier.

The Shareholder's equity increased by 5%, from RO 27.26 million as at 30 June 2022 to RO 28.794 million as at 30 June 2023.

Acknowledgements

On behalf of the board of directors, I would like to extend our gratitude to the leadership of the CMA, CBO and MOCI for their continued support. I would also like to thank the management teams of DIDIC, our subsidiaries and associate companies for all their hard work and dedication.

Finally, we wish our country continued safety and stability under the wise leadership and guidance of His Majesty Sultan Haitham Bin Tarik, may God protect him and prolong his life.

Khalid Bin Mustahail Ahmed Al Mashani
Chairman

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023

		<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
		<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	Note	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
INCOME					
Dividend income	5	1,201,346	1,075,781	1,296,380	1,223,998
Net revenue of a subsidiary	6	165,218	-	139,191	-
Realised gain/(loss) on sale of financial assets at fair value through profit or loss	7(a)	-	-	(47)	8,505
Unrealised gain/ (loss) on financial assets at fair value through profit or loss	7(b)	(720,929)	(734,471)	1,769,000	1,663,321
Interest income		75,613	310,664	199,121	310,555
Other income		50,019	46,668	41,161	43,862
Total income		<u>771,267</u>	<u>698,642</u>	3,444,806	3,250,241
EXPENSES					
Administrative and general expenses	8	(1,088,257)	(883,982)	(925,945)	(662,287)
Depreciation	18	(96,886)	(29,318)	(84,044)	(26,700)
Total expenses		<u>(1,185,143)</u>	<u>(913,300)</u>	(1,009,989)	(688,987)
Operating profit		<u>(413,876)</u>	<u>(214,658)</u>	2,434,817	2,561,254
Finance costs		(2,877,005)	(2,525,108)	(3,311,638)	(2,952,933)
Amortization of deferred finance cost	24 (e)	(1,385,256)	(1,385,256)	(64,930)	(64,930)
Share of loss from subsidiaries	13 (a)	-	(551,115)	-	(585,142)
Share of profit from associates	14 (a)	6,808,505	6,808,505	6,443,849	6,443,849
Profit for the period before tax		<u>2,132,368</u>	<u>2,132,368</u>	5,502,098	5,402,098
Income tax	9	-	-	(100,000)	-
Profit for the period		<u>2,132,368</u>	<u>2,132,368</u>	5,402,098	5,402,098
Other comprehensive income					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Changes in fair value of financial assets through other comprehensive income	16 (a)	26,669	-	547,666	-
Share of other comprehensive profit of subsidiaries	13 (a)	-	26,669	-	547,666
Share of other comprehensive profit/(loss) of associates	14 (a)	799,950	799,950	(1,592,252)	(1,592,252)
Other comprehensive income/(loss) for the period		<u>826,619</u>	<u>826,619</u>	(1,044,586)	(1,044,586)
Total comprehensive income for the period		<u>2,958,987</u>	<u>2,958,987</u>	4,357,512	4,357,512
Basic earnings per share	26	<u>0.005</u>	<u>0.005</u>	0.013	0.013

The notes on pages 8 to 42 form an integral part of these financial statements.

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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UN-AUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
		<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	Note	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
ASSETS					
Cash and bank balances	10	3,470,998	2,828,375	10,588,641	610,725
Receivables and prepayments	11	922,395	3,876,666	787,633	5,170,238
Inventories		22,129	-	23,205	-
Financial assets at fair value through profit or loss					
- Investment in equities	12	41,196,611	25,495,886	44,963,499	30,011,299
- Investment in term deposits	15	1,830,000	1,830,000	1,830,000	1,830,000
Financial assets at fair value through other comprehensive income	16	1,215,129	-	1,181,158	-
Investment in subsidiaries	13	-	2,632,200	-	10,266,021
Investment in associates	14	167,706,253	167,706,253	160,465,654	160,465,654
Loan to subsidiary	17	-	4,950,000	-	4,950,000
Investment property		247,212	247,212	247,212	247,212
Property and equipment	18	5,125,118	528,450	5,259,897	553,652
Total assets		<u>221,735,845</u>	<u>210,095,042</u>	<u>225,346,899</u>	<u>214,104,801</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	19	54,472,000	54,472,000	54,472,000	54,472,000
Legal reserve	20	10,210,339	10,210,339	9,552,673	9,552,673
General reserve	21	7,070,404	7,070,404	7,070,404	7,070,404
Investment revaluation reserve	22	(2,678,188)	(2,678,188)	(3,489,811)	(3,489,811)
Retained earnings		60,115,631	59,707,044	55,962,509	55,962,509
Total equity due to shareholders of the Parent Company		<u>129,190,186</u>	<u>128,781,599</u>	<u>123,567,775</u>	<u>123,567,775</u>
LIABILITIES					
Other liabilities	23	675,277	297,443	561,260	264,162
Income tax payable	9	9,383	-	100,000	-
Loans and borrowings	24	91,861,000	81,016,000	101,117,864	90,272,864
		<u>92,545,660</u>	<u>81,313,443</u>	<u>101,779,124</u>	<u>90,537,026</u>
Total equity and liabilities		<u>221,735,845</u>	<u>210,095,042</u>	<u>225,346,899</u>	<u>214,104,801</u>
Net assets per share	25	<u>0.316</u>	<u>0.315</u>	<u>0.302</u>	<u>0.302</u>

These financial statements were approved and authorised for issue by the Board of Directors on and signed on their behalf by:

DIRECTOR

DIRECTOR

The notes on pages 8 to 42 form an integral part of these financial statements.

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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UN-AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

Group	Share capital <u>RO</u>	Legal reserve <u>RO</u>	General reserve <u>RO</u>	Investment revaluation reserve <u>RO</u>	Retained earnings <u>RO</u>	Total <u>RO</u>
At 1 January 2022	54,472,000	9,012,463	7,070,404	(1,790,884)	52,030,959	120,794,942
Profit for the period	-	-	-	-	5,402,098	5,402,098
<i>Other comprehensive loss</i>						
Changes in fair value of financial assets through other comprehensive income	-	-	-	(106,675)	-	(106,675)
Share of other comprehensive loss of associates	-	-	-	(1,592,252)	-	(1,592,252)
Transfer of revaluation reserve of a subsidiary on disposal of equities through	-	-	-	-	654,341	654,341
Share of interest on associate companies Tier 1 capital securities to retained earnings	-	-	-	-	(1,584,679)	(1,584,679)
Transfer to legal reserve	-	540,210	-	-	(540,210)	-
At 30 June 2022	<u>54,472,000</u>	<u>9,552,673</u>	<u>7,070,404</u>	<u>(3,489,811)</u>	<u>55,962,509</u>	<u>123,567,775</u>
At 1 January 2023	54,472,000	9,940,694	7,070,404	(3,504,807)	59,784,641	127,762,932
Profit for the period	-	-	-	-	2,132,368	2,132,368
<i>Other comprehensive loss</i>						
Changes in fair value of financial assets through other comprehensive income	-	-	-	26,669	-	26,669
Share of other comprehensive loss of associates	-	-	-	799,950	-	799,950
Share of interest on Associate companies Tier 1 Capital Securities to retained earnings	-	-	-	-	(1,531,733)	(1,531,733)
Transfer to legal reserve	-	269,645	-	-	(269,645)	-
At 30 June 2023	<u>54,472,000</u>	<u>10,210,339</u>	<u>7,070,404</u>	<u>(2,678,188)</u>	<u>60,115,631</u>	<u>129,190,186</u>

The notes on pages 8 to 42 form an integral part of these financial statements.

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UN-AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

Parent Company	<u>Share capital</u> RO	<u>Legal reserve</u> RO	<u>General reserve</u> RO	<u>Investment revaluation reserve</u> RO	<u>Retained earnings</u> RO	<u>Total</u> RO
At 1 January 2022	54,472,000	9,012,463	7,070,404	(1,790,884)	52,030,959	120,794,942
Profit for the period	-	-	-	-	5,402,098	5,402,098
<i>Other comprehensive loss</i>						
Share of other comprehensive loss of subsidiaries	-	-	-	(106,675)	-	(106,675)
Share of other comprehensive loss of associates	-	-	-	(1,592,252)	-	(1,592,252)
Share of interest on Associate companies Tier 1 Capital Securities to retained earnings	-	-	-	-	(1,584,679)	(1,584,679)
Transfer of revaluation reserve of a subsidiary on disposal of equities through	-	-	-	-	654,341	654,341
Transfer to legal reserve	-	540,210	-	-	(540,210)	-
At 30 June 2022	<u>54,472,000</u>	<u>9,552,673</u>	<u>7,070,404</u>	<u>(3,489,811)</u>	<u>55,962,509</u>	<u>123,567,775</u>
At 1 January 2023	54,472,000	9,940,694	7,070,404	(3,504,807)	59,376,054	127,354,345
Profit for the period	-	-	-	-	2,132,368	2,132,368
<i>Other comprehensive loss</i>						
Share of other comprehensive loss of subsidiaries	-	-	-	26,669	-	26,669
Share of other comprehensive loss of associates	-	-	-	799,950	-	799,950
Share of interest on Associate companies Tier 1 Capital Securities to retained earnings	-	-	-	-	(1,531,733)	(1,531,733)
Transfer to legal reserve	-	269,645	-	-	(269,645)	-
At 30 June 2023	<u>54,472,000</u>	<u>10,210,339</u>	<u>7,070,404</u>	<u>(2,678,188)</u>	<u>59,707,044</u>	<u>128,781,599</u>

The notes on pages 8 to 42 form an integral part of these financial statements.

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Cash flows from operating activities				
Receipt of dividends, rent and other income	6,000,275	5,678,495	4,300,214	4,073,377
Payments to creditors and employees	(1,613,400)	(1,104,370)	(1,200,435)	(937,250)
Proceeds from sale of investments	16,870	16,870	320,924	297,700
Proceeds from capital reduction by an investee company	-	-	506,010	506,010
Transaction cost paid	(36)	(36)	(1,123)	(1,042)
Interest received	298,964	298,964	136,792	135,402
Income tax refund received/(paid)	-	-	9,286	-
Net cash from operating activities	4,702,673	4,889,923	4,071,668	4,074,197
Cash flows from investing activities				
Proceeds from sale of fixed assets	-	-	8,820	-
Purchase of property and equipment	(2,768)	(916)	(24,121)	-
Proceeds from sale of investments	-	-	9,423,495	-
Transaction cost paid	-	-	(9,816)	-
Net cash from investing activities	(2,768)	(916)	9,398,378	-
Cash flows from financing activities				
Deferred finance cost paid	(1,054,200)	(1,033,200)	-	-
Interest and other finance charges paid	(2,758,195)	(2,451,352)	(4,843,298)	(4,649,705)
Paid to and on behalf of subsidiaries	(3,658)	(251,773)	(354,533)	(454,533)
Term loan received	82,000,000	82,000,000	-	-
Repayment of long term loans	(80,776,080)	(80,776,080)	-	-
Net cash used in financing activities	(2,592,133)	(2,512,406)	(5,197,831)	(5,104,238)
Net changes in cash and cash equivalents during the period	2,107,772	2,376,602	8,272,215	(1,030,041)
Cash and cash equivalents at the beginning of the period	1,363,227	451,773	2,316,426	1,640,766
Cash and cash equivalents at the end of the period	3,470,999	2,828,375	10,588,641	610,725

The notes on pages 8 to 42 form an integral part of these financial statements.

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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

1 Legal status and principal activities

Dhofar International Development and Investment Holding Company SAOG ('the Parent Company') was formed on 9 December 1987 by Ministerial Decree no. 127/87 and is registered in the Sultanate of Oman as a public joint stock company.

The Parent Company's main activity is investment in businesses, marketable securities and promotion of new projects and its shares are listed on Muscat Stock Exchange. The Parent Company holds investments in subsidiary and associate companies, the details of which are set out below;

	Shareholding percentage <u>2023</u>	Shareholding percentage <u>2022</u>	Country of incorporation	<u>Principal Activities</u>
Subsidiary companies				
Dhofar Investment and Real Estate Services Company LLC	99.9%	99.9%	Oman	Investments and real estate related activities
Garden Hotel LLC	99.9%	99.9%	Oman	Hospitality services
Dhofar International Energy Services Company LLC	99%	99%	Oman	Energy related activities
Associate companies				
Financial Services Company SAOG	46.15%	46.15%	Oman	Brokerage and investment services
Oman Investment and Finance Company SAOG	37.98%	37.98%	Oman	Meter reading, billing, collection, customer services and debt factoring for utility providers
Dhofar Insurance Company SAOG	38.14%	37.43%	Oman	Insurance services
Omani Gulf food Company LLC (Formerly "Omani Vegetable Oils and Derivatives Company LLC")	30.77%	30.77%	Oman	Manufacture and distribution of vegetable oil
Salalah Medical Supplies Manufacturing Company LLC	25%	25%	Oman	Manufacture and sale of surgical disposables
Bank Dhofar SAOG	24.38%	24.38%	Oman	Banking services

2 Basis of preparation and adoption of new and amended IFRS

Basis of preparation

- a) The financial statements have been prepared on the historical cost basis, as modified to include the fair value of certain financial assets and liabilities.
- b) The Board of Directors of the Parent Company have reassessed the Parent Company's investment entity status in light of the requirements mentioned in IFRS 10 and has updated their strategy for certain core investments in 2020. The

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

2 Basis of preparation and adoption of new and amended IFRS (continued)

Basis of preparation (continued)

Parent Company prepared consolidated financial statements by applying equity accounting as per IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates for accounting for its subsidiaries and associates respectively.

IFRS 10 further states that the fair value of the subsidiary at the deemed acquisition date is considered as the deemed consideration when measuring any goodwill or gain from a bargain purchase that arises from the deemed acquisition. The deemed acquisition is considered as a business combination as per IFRS 3 'Business Combinations' and the Parent Company has completed purchase price allocation exercise.

- c) These financial statements for the period ended 30 June 2023 comprise the Parent Company and its subsidiaries (together "the Group") and the Group's interest in its associates. The separate financial statements represent the financial statements of the Parent Company on a standalone basis. The consolidated and separate financial statements are collectively referred to as "the financial statements".
- d) The Parent company in its EGM held on 21 June 2023 approved merger with 'Oman Investment & Finance Co. SAOG (OIFC)' with swap ratio of 0.3488 shares in the Parent company. However, Capital Market Authority (CMA) through its decision 46/2023 dated 10 July 2023 suspended the implementation of merger till further decision. Please refer to note 33 for further details.

Functional and presentation currency

The financial statements are presented in Omani Rials ("RO") which is the functional and presentation currency of the Parent Company and the Group. All figures have been rounded off to the nearest RO, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), the disclosure requirements of the Capital Market Authority (CMA) and the requirements of the Commercial Companies Law of the Sultanate Oman.

New standards, amendments and interpretations to existing IFRS effective 1 January 2023

The Group has adopted all standards and amendments for the first time for the annual reporting period beginning from 1 January 2023, while has accounted for and disclosed only the relevant and applicable standards and amendments:

Standards/Amendments to Standards	Effective Date
Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)	01 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	01 January 2023
Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01 January 2023

The adoption of the above amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

2 Basis of preparation and adoption of new and amended IFRS (continued)

Standards, amendments and interpretations to existing IFRS that are not yet effective

The forthcoming requirements of new Standard and Amendments to existing Standards are applicable for future reporting periods.

Standards/Amendments to Standards	Effective Date
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28)	Deferred Indefinitely

The Group does not expect these amendments issued but not yet effective to have a material impact on the financial statements of the Group except for IFRS 17.

IFRS 17 Insurance Contracts and Amendments may or may not have material impact on the profitability of Dhofar Insurance Company SAOG, an associate company of the Group. The associate company is evaluating the implications of IFRS 17, which may have material impact on the comparative financial statements for the year 2022 due to the adoption of the modified retrospective approach and the transition impact will be adjusted for in the opening balances of their financial statements of 2023 and will accordingly and simultaneously reflected in the financial statements of the Group.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Group to all the period presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2023.

Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired entity and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill is tested for impairment annually.

Inter-company transactions, balances, income and expenses on transactions between the Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 into 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.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as an equity transaction. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. 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 profit or loss.

Entities under common control

For the spin off or acquisition of the entities under common control, the assets and liabilities of the acquired subsidiaries are included in the consolidated financial statements at their book values from the date of change. The subsidiaries are deconsolidated from the date that control ceases.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Any excess over the fair value of net asset acquired in an acquisition is recognised as a 'bargain gain' and included in the statement of comprehensive income for the period in which the acquisition is completed.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consequent to the amendment in IAS 27, the Parent has adopted the equity method to account for its investment in associates and subsidiaries for the purpose of its separate financial statements.

Revenue recognition

- Interest income is recognised on a time proportion basis using the effective Interest method.
- Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Group's right to receive dividend is established.
- Dividend income from financial assets at fair value through other comprehensive income (equity instruments) are recognised in the statement of comprehensive income when the Group's right to receive dividend is established.
- Other income is recognised in income when the Group satisfies a performance obligation.
- Revenue for hospitality services for room revenue consists of the services rendered during the period, net of discounts and municipal and tourism taxes which is recognised on a daily basis over time based on occupancy. Further for food, beverages and other revenues are recognised at a point in time as and when goods are supplied or services rendered.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Financial assets

i) Classification

The Group classifies its financial assets in the following categories: amortised cost, fair value through profit or loss ('FVTPL') and fair value through other comprehensive income ('FVOCI'). The classification of debt instruments depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

A debt instrument is measured at amortised cost if it meets both of the following conditions and it is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

The Group measures all its equity investments at fair value. When the Group's management elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ii) Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this drives the classification of financial assets and liabilities under IFRS 9. Business model reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

3 Summary of significant accounting policies (continued)

Financial assets (continued)

ii) Business model assessment (continued)

- how the performance of the portfolio is evaluated and reported to the Group's management;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held to both to collect contractual cash flows and to sell financial assets.

iii) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

iv) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are subsequently measured at fair value.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial assets (continued)

iv) Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of dividend income when the Group's right to receive dividend is established. Changes in the fair value of monetary and non-monetary securities classified as fair value through other comprehensive income are recognised in other comprehensive income. When equity securities classified as fair value through other comprehensive income are sold, the accumulated fair value adjustments are reclassified within equity. Dividends on equity instruments classified as fair value through other comprehensive income are recognised in the statement of comprehensive income when the Group's right to receive dividend is established.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group is exposed to credit risk if counterparties fail to make payments as they fall due in respect of bank balances. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Examples of indicators include internal credit rating, external credit rating (if applicable) etc.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of asset. The cost includes any other cost that is directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the item and restoring the site on which they are located.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	25 and 40 years
Motor vehicles	3 years
Furniture, fixtures and equipment	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in the statement of comprehensive income.

Investment property

Property that is 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.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Investment property (continued)

All investments in properties are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Subsequent to initial recognition, these properties are revalued to their fair values on an annual basis and any increase or decrease in the fair values is reflected in the statement of comprehensive income.

Goodwill

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest and levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities up to three months or less. The cash flow statement has been prepared using direct method as per IAS 7 'Statement of Cash Flows'.

Payables and accruals

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Employee benefits

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law as amended and in accordance with IAS 19, 'Employee Benefits'. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. The accruals relating to annual leave, leave passage and end of service benefits are included in liabilities. Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

Current and deferred income tax

The tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither the accounting nor taxable profits, and difference relating to subsidiaries and jointly controlled entities to the extent that they probably will not reverse in foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Provisions

A provision is recognised in the statement of financial position when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive, Nomination and Remuneration Committee (Executive Committee) that makes strategic decisions.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities 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', which is the Group's and the Parent Company's functional and presentation currency.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

3 Summary of significant accounting policies (continued)

Foreign currency translation (continued)

Transactions and balances

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

Directors' remuneration

The directors' remuneration is governed as set out in the Memorandum of Association of the Group, the Commercial Companies Law and regulations issued by the Capital Market Authority (CMA).

The Annual General Meeting shall determine and approve the remuneration and the sitting fees for the Board of Directors and its sub-committees from the net profits after deduction of taxes, legal and optional reserves and the funds allocated for capitalization and dividends provided that such fees shall not exceed RO 300,000 if the net profit is equal to or exceeding the profit realized in the previous financial year and has no accumulated losses or losses in the capital or shall not exceed RO 150,000 if the realized profit is less than the profit realized in the previous financial year and no losses in the capital. The sitting fees for each director shall not exceed RO 10,000 in one year.

Dividend distribution

Dividends are recommended by the Board after considering the profit available for distribution and the Group's future cash requirements and are subject to approval by the shareholders at Annual General Meeting. Dividends are recognised as a liability in the financial statements in the period in which they are approved by the shareholders.

4 Critical accounting estimates and judgements

Estimates and judgements are evaluated regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

The fair value of financial instruments which are unquoted and those quoted which are not traded in an active market (for example, unlisted securities) is determined by valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions refer note 30.

Impairment of investment in equity accounted investees and subsidiaries

The Group reviews its investment in equity accounted investees and subsidiaries periodically and evaluates for objective evidence of impairment. Objective evidence includes the performance of equity accounted investee and subsidiaries, the future business model, local economic conditions and other relevant factors. Based on the objective evidences, the Group determines the need for impairment loss on investment in equity accounted investees and subsidiaries.

Impairment of goodwill

The Group tests annually whether goodwill has impaired, considering projected cashflows, terminal growth rate and discount factors. The recoverable amount of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Allowance for credit losses

Assessment whether credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses.

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

5 Dividend income	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
From investment in equities through profit and loss	1,201,346	1,075,781	1,296,380	1,223,998
From investment in equities through OCI	-	-	-	-
	<u>1,201,346</u>	<u>1,075,781</u>	<u>1,296,380</u>	<u>1,223,998</u>
6 Net revenue of a subsidiary				
Net revenue of a subsidiary represents the Group net income from Garden Hotel LLC.				
7 Realised and unrealised gain/(loss) on financial assets at fair value through profit or loss				
a) Realised gain/(loss) on sale of financial assets at fair value through profit or loss:				
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
From investment in equities [note 12(a)]	-	-	(47)	8,505
	<u>-</u>	<u>-</u>	<u>(47)</u>	<u>8,505</u>
b) Unrealised gain/(loss) on financial assets at fair value through profit or loss:				
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Investment in equities through FVTPL[note 12(a)]	(720,929)	(734,471)	1,769,000	1,663,321
	<u>(720,929)</u>	<u>(734,471)</u>	<u>1,769,000</u>	<u>1,663,321</u>
8 Administrative and general expenses				
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Staff related costs [see 8(a) below]	819,189	637,468	704,712	527,452
Directors' remuneration and sitting fees [note 28(c)]	48,900	36,900	46,500	31,500
Occupancy and office related costs	123,118	50,528	124,470	53,072
Donations	-	-	-	-
Miscellaneous expenses	97,050	159,086	50,263	50,263
	<u>1,088,257</u>	<u>883,982</u>	<u>925,945</u>	<u>662,287</u>
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
a) Staff related costs				
Salaries and allowances	530,963	413,708	526,460	370,480
Other benefits	239,830	188,284	137,375	124,156
Social security costs	32,083	22,772	30,192	22,131
End of service benefits [note 23(a)]	16,313	12,704	10,685	10,685
	<u>819,189</u>	<u>637,468</u>	<u>704,712</u>	<u>527,452</u>

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

9 Taxation

The Group is liable to pay income tax at the rate of 15% (2022: 15%) of taxable income in accordance with the income tax law of the Sultanate of Oman.

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Statement of comprehensive income:				
Income tax - current period	-	-	-	-
Income tax-prior years	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

The Parent Company's income tax assessments for the years up to 2020 have been finalised by the Tax Authority. Further, the tax assessments for subsidiaries, Dhofar investment and real estate Company LLC, Dhofar International Energy Services Company LLC and Garden Hotel LLC have been finalised for the years up to 2020, 2021 and 2020 respectively by the Taxation Authority. The Management believes that additional tax liability if any, that may arise on the completion of the assessments for the unassessed tax years for the Parent Company and the subsidiaries will not be material to the financial position of the Group at the end of the reporting period. The reconciliation of taxation on the accounting profit/(loss) for the year at 15% taxation charge in the financial statement is as follows:

	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Accounting profit	2,132,368	5,402,098
Tax rate	15%	15%
Tax on accounting profit	319,855	810,315
Add/(less) tax effect of:		
Tax exempt revenue	(989,805)	(1,311,904)
Tax on disallowed expenses	466,500	496,147
Others	203,450	5,442
	-----	-----
At 30 June	-	-
	=====	=====

10 Cash and bank balances

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Current accounts	2,890,924	2,827,194	705,292	609,725
Call deposits	578,503	181	9,878,222	-
Cash in hand	1,571	1,000	5,127	1,000
	-----	-----	-----	-----
	3,470,998	2,828,375	10,588,641	610,725
	=====	=====	=====	=====

Call deposit with a local bank (associate) earns interest at the rate of 0.8% per annum (2022: 0.8% per annum).

**DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

11 Receivables and prepayments

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Receivable, prepayments and deposits	581,300	154,992	684,201	145,751
Accrued income	136,895	-	-	-
Due from associates	204,201	204,201	103,432	103,432
Due from a subsidiary [note 27(d)]	-	3,517,473	-	4,921,055
	<u>922,395</u>	<u>3,876,666</u>	<u>787,633</u>	<u>5,170,238</u>

Receivables and prepayments are due within one year. Prepaid expenses and others include balance of RO 113,096 (2022: RO 28,350) are due from related parties [refer to note 27(d)].

12 Investment in equities at fair value through profit or loss

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Quoted securities				
Banking and investment sector	17,103,378	15,505,888	16,285,895	14,926,595
Services sector	5,863,627	5,858,487	10,425,035	10,420,530
Industrial sector	665,078	665,078	869,448	869,448
	<u>23,632,083</u>	<u>22,029,453</u>	<u>27,580,378</u>	<u>26,216,573</u>
Unquoted securities & subordinated advances				
Local	17,564,528	3,466,433	17,383,121	3,794,726
	<u>41,196,611</u>	<u>25,495,886</u>	<u>44,963,499</u>	<u>30,011,299</u>

a) Movement in equity investments at fair value through profit or loss is as follows:

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
At 1 January	41,926,907	26,240,597	43,415,824	28,639,953
Sales proceeds during the period	1,619	(10,985)	(320,841)	(297,700)
Additions during the period	(10,986)	745	-	-
Interest receivable capitalised	-	-	102,343	-
Realised gain/(loss) during the period	-	-	(2,827)	5,725
Unrealised gain/(loss) during the period	(720,929)	(734,471)	1,769,000	1,663,321
	<u>41,196,611</u>	<u>25,495,886</u>	<u>44,963,499</u>	<u>30,011,299</u>

b) Quoted securities are investments listed on the Muscat Stock Exchange.

c) Investment in equities with the fair value of RO 25,182,097 (2022: RO 29,562,545) are pledged as security against credit facilities obtained from commercial banks (note 24).

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12 Investment in equities at fair value through profit or loss (continued)

d) Details of investments in securities where the Group holds in excess of 10% of the investee company's share capital as at 30 June are set out below:

	Holding	No. of	Fair	Cost
2023	%	securities	Value	RO
			RO	RO
Dhofar University SAOC	19	1,518,031	2,729,237	1,518,031
National Packaging Factory LLC	15	81,000	81,000	40,500
2022				
Dhofar University SAOC	19	1,518,031	2,932,947	1,518,031
National Packaging Factory LLC	15	81,000	81,000	40,500

13 Investment in subsidiaries

a) The movement of investment in subsidiaries is as follows:

	Parent	Parent
	Company	Company
	2023	2022
	RO	RO
At 1 January	3,156,646	10,303,496
Realised gain on sale of investment through OCI	-	654,342
Share of loss for the period	(551,115)	(585,142)
Share of other comprehensive income/(loss) for the period	26,669	(106,675)
At 30 June	<u>2,632,200</u>	<u>10,266,021</u>

- b) Dhofar Investment and Real Estate Services Company LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in investments and real estate related activities. The Parent Company holds 99.9% equity interest and the balance 0.1% is held by Dhofar International Energy Services Company LLC (subsidiary).
- c) Garden Hotel LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in Hospitality Services. The Parent Company holds 99.9% of the equity interest and the balance 0.1% is held by Dhofar Investment and Real Estate Services Company LLC.
- d) Dhofar International Energy Services Company LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in production and distribution of energy. The Parent Company holds 99% equity interest and the balance of 1% is held by Dhofar Investment and Real Estate Services Company LLC.
- e) The Parent Company receives income in the form of dividends from its investments in subsidiaries, and there are no restrictions on the transfer of funds from these subsidiaries to the Parent Company.
- f) The Parent Company is committed to provide financial or other support to its subsidiaries.
- g) At the reporting date, the management has tested the investments in subsidiaries for impairment in accordance with IAS 36 "Impairment of Assets" and has concluded that there is no impairment losses at 30 June 2023, since the estimated recoverable amounts of these investments is higher than their carrying values.
- h) Shares in subsidiaries are pledged as, securities against credit facilities obtained from commercial banks by the Parent Company (note 24).
- i) Investment in subsidiaries is accounted for under equity method in Parent Company Separate financial statements using the information derived from the audited/un-audited financial statements of these subsidiaries for the period ended 30 June 2023.

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14 Investment in associates

a) The movement of investment in associates is as follows:

	Group and Parent 2023 RO	Group and Parent 2022 RO
At 1 January	166,331,229	160,015,991
Purchase of shares through conversion	-	587,885
Increase in shares through conversion	549,800	-
Conversion/redemption of DIC Bonds into shares	(549,800)	(549,800)
Adjustment in fair value reserve of DIC Bonds	-	(35,305)
Share of profit for the period	6,808,505	6,443,849
Share of other comprehensive income/(loss) for the period	799,950	(1,592,252)
Dividend received during the period	(4,701,698)	(2,820,035)
Share of interest on Tier 1 Capital Securities	(1,531,733)	(1,584,679)
At 30 June	167,706,253	160,465,654

b) Investments in associates represent direct holding in the following;

30 June 2023 Group		Holding %	Equity accounted value RO	Market value of listed companies RO
Bank Dhofar SAOG	BKD	24.38	136,512,886	126,388,696
Oman Investment and Finance Company SAOG	OIFC	37.98	10,720,253	8,221,500
Dhofar Insurance Company SAOG (equity shares)	DICS	38.14	12,485,684	8,316,750
Dhofar Insurance Company SAOG (bonds)	DICS - Bonds	54.98	1,099,600	1,099,600
Omani Gulf food Company LLC (Formerly "Omani Vegetable Oils and Derivatives Company	OGFC	30.77	3,847,530	-
Financial Services Company SAOG	FSC	46.15	1,460,632	1,643,077
Salalah Medical Supplies Manufacturing Co. LLC	SMSM	25.00	1,579,669	-
			167,706,253	145,669,623

30 June 2022 Group		Holding %	Equity accounted value RO	Market value of listed companies RO
Bank Dhofar SAOG	BKD	24.38	132,919,709	85,476,748
Oman Investment and Finance Company SAOG	OIFC	37.98	10,161,685	10,890,000
Dhofar Insurance Company SAOG (equity shares)	DICS	37.43	10,233,167	7,440,985
Dhofar Insurance Company SAOG (bonds)	DICS - Bonds	54.98	1,649,400	1,649,400
Omani Gulf food Company LLC (Formerly "Omani Vegetable Oils and Derivatives Company	OGFC	30.77	2,954,768	-
Financial Services Company SAOG	FSC	46.15	1,470,386	1,643,077
Salalah Medical Supplies Manufacturing Co. LLC	SMSM	25.00	1,076,539	-
			160,465,654	107,100,210

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14 Investment in associates (continued)

- c) Certain shares in associates with a fair value of RO 151,096,822 (2022: RO 111,131,516) are pledged as, securities against credit facilities obtained from commercial banks by the Parent Company (note 24).
- d) Investment in bonds issued by Dhofar Insurance Company SAOG carries interest rate at 6% per annum payable on annual basis.
- e) At the reporting date, the management has tested the investments in associates (including the related goodwill) for impairment in accordance with IAS 36 “Impairment of Assets” and has concluded that there is no impairment losses at 30 June 2023, since the estimated recoverable amounts of these investments is higher than their carrying values.
- f) The company has acquired 51.923 shares in 'Dhofar Food & Investment Co. SAOG (DFIN)' at price of RO 0.080 on 24 July 2023 which represents 26.27% of the total shareholding of DFIN. There is no adjustment provided for the period ending 30 June 2023. Please refer note 33.
- e) Following is the summarised financial information for investment in associates derived from audited/un-audited financial statements of the Associates for the period ended 30 June 2023;

Summarised statement of financial position	BKD 2023 RO '000	OIFC 2023 RO '000	DICS 2023 RO '000	OGFC 2023 RO '000	FSC 2023 RO '000	SMSM 2023 RO '000	Total 2023 RO '000
Assets							
Cash and bank balances	197,118	3,557	7,097	2,323	1,475	0	211,570
Investments	442,810	115,476	59,203	-	4,109	665	622,263
Other assets	4,034,591	9,522	90,522	21,063	21	14,651	4,170,370
	4,674,519	128,554	156,822	23,385	5,605	15,317	5,004,202
Liabilities							
Financial liabilities	3,945,382	99,194	104,867	10,925	2,434	9,890	4,172,692
Other liabilities	13,745	565	19,215	801	6	332	34,664
	3,959,127	99,760	124,083	11,725	2,440	10,222	4,207,357
Adjustment in net assets	(155,500)	(565)	-	(1,346)	-	(360)	(157,770)
Net Assets	559,892	28,230	32,739	10,315	3,165	4,735	639,075

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14 Investment in associates (continued)

Summarised statement of Comprehensive income	BKD 2023 RO '000	OIFC 2023 RO '000	DICS 2023 RO '000	OGFC 2023 RO '000	FSC 2023 RO '000	SMSM 2023 RO '000	Total 2023 RO '000
Net revenue	40,946	8,508	13,733	24,225	125	2,801	90,338
Investment and other income	756	4,036	1,839	(28)	54	-	6,657
Expenses	(20,016)	(10,330)	(12,961)	(23,826)	(295)	(912)	(68,340)
Profit before tax	21,686	2,214	2,610	371	(116)	1,890	28,655
Income tax	(3,253)	(16)	(355)	10	-	-	(3,614)
Profit after tax	18,433	2,198	2,256	381	(116)	1,890	25,041
Other comprehensive income	249	397	1,548	-	(4)	-	2,190
Total comprehensive income	18,682	2,595	3,803	381	(120)	1,890	27,231
Dividend received	3,653	270	588	-	-	118	4,629
Reconciliation of summarised financial information							
Opening net assets	561,577	27,656	29,508	11,264	3,285	3,980	637,270
Profit for the period	18,433	2,198	2,256	381	(116)	1,890	25,041
Other comprehensive (loss) / income for the period	249	397	1,548	-	(4)	-	2,190
Increase in share capital	-	-	1,000	-	-	-	1,000
Dividend	(14,983)	(711)	(1,571)	-	-	(763)	(18,028)
Proceeds Tier1 + Issuance + Prior periods	(5,384)	(745)	-	8	-	(12)	(6,133)
Closing net assets at 30 June	559,892	28,795	32,740	11,653	3,165	5,095	641,339
Property revaluation adjustment	-	(565)	-	(1,346)	-	-	(1,910)
Adjusted closing net assets at 30 June	559,892	28,230	32,740	10,307	3,165	5,095	639,429

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14 Investment in associates (continued)

	BKD	OIFC	DICS	OGFC	FSC	SMSM	Total
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
	<u>RO '000</u>	<u>RO '000</u>	<u>RO '000</u>	<u>RO '000</u>	<u>RO '000</u>	<u>RO '000</u>	<u>RO '000</u>
Interest in associates	24.38%	37.98%	38.14%	30.77%	46.15%	25.00%	
Share in closing net assets	136,513	10,720	12,486	3,175	1,461	1,274	165,628
Goodwill	-	-	-	673	-	306	979
Carrying value of associates	<u>136,513</u>	<u>10,720</u>	<u>12,486</u>	<u>3,848</u>	<u>1,461</u>	<u>1,580</u>	<u>166,607</u>
DICS - bonds							1,100
Carrying value of total investment in associates							<u>167,707</u>

15 Term deposits

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Term Deposit (refer note 'b')	<u>1,830,000</u>	<u>1,830,000</u>	<u>1,830,000</u>	<u>1,830,000</u>

The term deposit of RO 1.83 million is placed with First Abu Dhabi Bank for a period of six months and carries interest at the rate of 3% per annum payable at maturity. This term deposit is under lien against the issuance of standby letters of credit obtained on behalf of a subsidiary.

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NOTES TO THE UN-AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023 (continued)

16 Financial assets at fair value through other comprehensive income

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>
Quoted securities		
Quoted local	800,064	760,061
Unquoted local	415,065	421,097
	<u>1,215,129</u>	<u>1,181,158</u>

a) Movement in financial assets at fair value through other comprehensive income is as follows:

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>
At 1 January	1,188,461	10,047,171
Sales during the period	-	(9,413,680)
Realised gain	-	654,342
Fair value change	26,669	(106,675)
At 30 June	<u>1,215,129</u>	<u>1,181,158</u>

b) Quoted securities are listed on the Muscat Stock Exchange and fair values are based on level 1 inputs for fair value measurement. Fair values of unquoted securities is based on level 3 inputs for fair value measurement that are based on non-observable data.

17 Loan to Subsidiary

The Parent company has provided an un-secured term loan of RO 4.950 million (2022: RO 4.950 million), which carries interest at the rate of 6.55% p.a. (2022: 6.55% p.a.). The major portion of loan is repayable in the year 2025.

18 Property and equipment

Group	<u>Land</u> <u>RO</u>	<u>Building</u> <u>RO</u>	<u>Motor</u> <u>vehicles</u> <u>RO</u>	<u>Furniture</u> <u>fixtures and</u> <u>equipment</u> <u>RO</u>	<u>Total</u> <u>RO</u>
Cost					
At 1 January 2022	2,397,010	4,865,895	186,502	1,949,614	9,399,021
Additions	-	-	-	15,301	15,301
Disposals	-	-	-	-	-
At 30 June 2022	<u>2,397,010</u>	<u>4,865,895</u>	<u>186,502</u>	<u>1,964,915</u>	<u>9,414,322</u>
At 1 January 2023	2,397,010	4,865,895	189,977	1,974,022	9,426,904
Additions	-	-	-	6,724	6,724
Disposals	-	-	-	-	-
At 30 June 2023	<u>2,397,010</u>	<u>4,865,895</u>	<u>189,977</u>	<u>1,980,746</u>	<u>9,433,628</u>

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18 Property and equipment (continued)

Group	<u>Land</u> <u>RO</u>	<u>Building</u> <u>RO</u>	<u>Motor</u> <u>vehicles</u> <u>RO</u>	<u>Furniture</u> <u>fixtures and</u> <u>equipment</u> <u>RO</u>	<u>Total</u> <u>RO</u>
Depreciation					
At 1 January 2022	-	1,987,509	180,442	1,902,430	4,070,381
Charge for the period	-	68,127	2,058	13,859	84,044
At 30 June 2022	-	2,055,636	182,500	1,916,289	4,154,425
At 1 January 2023	-	2,124,188	163,853	1,923,584	4,211,624
Charge for the period	-	68,127	3,322	25,437	96,886
Relating to disposals	-	-	-	-	-
At 30 June 2023	-	2,192,315	167,175	1,949,021	4,308,511
Net book value					
At 30 June 2023	2,397,010	2,673,580	22,802	31,726	5,125,118
At 30 June 2022	2,397,010	2,810,259	4,002	48,626	5,259,897
Parent					
	<u>Land</u> <u>RO</u>	<u>Building</u> <u>RO</u>	<u>Motor</u> <u>vehicles</u> <u>RO</u>	<u>Furniture</u> <u>fixtures and</u> <u>equipment</u> <u>RO</u>	<u>Total</u> <u>RO</u>
Cost					
At 1 January 2022	197,010	1,155,196	117,463	184,505	1,654,174
Additions	-	-	-	-	-
At 30 June 2022	197,010	1,155,196	117,463	184,505	1,654,174
At 1 January 2023	197,010	1,155,196	120,938	186,172	1,659,316
Additions	-	-	-	4,874	4,874
Disposals	-	-	-	-	-
At 30 June 2023	197,010	1,155,196	120,938	191,046	1,664,190
Depreciation					
At 1 January 2022	-	788,619	113,966	171,237	1,073,822
Charge for the period	-	23,103	777	2,820	26,700
At 30 June 2022	-	811,722	114,743	174,057	1,100,522
At 1 January 2023	-	834,827	94,815	176,780	1,106,422
Charge for the period	-	23,104	3,322	2,892	29,318
Relating to disposals	-	-	-	-	-
At 30 June 2023	-	857,931	98,137	179,672	1,135,740
Net book value					
At 30 June 2023	197,010	297,265	22,801	11,374	528,450
At 30 June 2022	197,010	343,474	2,720	10,448	553,652

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19 Share capital

The Parent Company's authorised, issued and fully paid-up share capital is as follows:

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>2023</u> <u>RO</u>	<u>2022</u> <u>RO</u>	<u>2023</u> <u>RO</u>	<u>2022</u> <u>RO</u>
Share capital	<u>75,000,000</u>	75,000,000	<u>54,472,000</u>	54,472,000

The issued share capital comprises 409.246 million shares (2022: 409.246 million shares). At 30 June 2023, Muscat Overseas Company LLC held 21.97% (2022: 21.97%) and Abdul Hafidh Salim Rajab Al Aujaili held 19.53% (2022: 19.53%) of the share capital of the Parent Company.

20 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of the Sultanate of Oman, annual appropriations of 10% of the Parent Company's net profit for the year are to be transferred to this reserve until such time the legal reserve equals at least one third of the Parent Company's share capital. The legal reserve is not available for distribution.

21 General reserve

In accordance with Article 133 of the Commercial Companies Law of Oman, a company may establish optional reserve accounts which shall not exceed twenty percent (20%) of the net profits for each financial year, after deduction of taxes and the legal reserve. The ordinary general meeting may resolve to distribute dividends from such reserve.

22 Investment revaluation reserve

The unrealised gain or loss arising from a change in fair value of the financial assets through other comprehensive income of the Group, and subsidiaries of the Parent Company are transferred to this reserve until the investment is sold, matured or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss will be transferred to the statement of comprehensive income.

23 Other liabilities

	<u>Parent</u>		<u>Parent</u>	
	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Company</u> <u>2022</u> <u>RO</u>
Due to related party [note 28 (d)]	128,884	78,603	108,260	108,260
Payables and accruals [note 23 (a)]	546,393	218,840	453,000	155,902
	<u>675,277</u>	<u>297,443</u>	<u>561,260</u>	<u>264,162</u>

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23 Other liabilities (continued)

- a) This includes payable to non-Omani employees against their end of service benefits. Movement in the liability recognised for employees' end of service benefits is as under

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
At 1 January	121,082	86,100	105,908	64,123
Expense recognised during the period	16,313	12,704	13,800	10,685
Liability paid during the period	(1,516)	-	(11,329)	-
At 30 June	<u>135,879</u>	<u>98,804</u>	<u>108,379</u>	<u>74,808</u>

24 Loans and borrowings

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Long term loans – gross [refer notes (a), (b) & (c) below]	92,845,000	82,000,000	102,636,000	91,791,000
Issuance cost – net of amortisation [refer note (e) below]	(984,000)	(984,000)	(1,518,136)	(1,518,136)
Closing -net of issuance cost of loans	<u>91,861,000</u>	<u>81,016,000</u>	<u>101,117,864</u>	<u>90,272,864</u>

- a) The Parent Company signed a syndicated term loan agreement with four local banks and the entire drawdown of the loan was made in January 2019. As per the agreement, the Company obtained two term loans (Loan 1 - RO 25 million and Loan 2 - RO 93 million). The interest is payable on a quarterly basis. Term loan 1 was fully repaid in December 2019 and Term loan 2 fully paid in June 2023.
- b) The parent company signed a new long loan agreement with three local banks and entire drawdown is made during June 2023. The long term loan amounting to RO 82 million (2022: RO -nil-) carry interest at fixed rate of 6.25% per annum (2022: -nil-). This interest rate is subject to review on quartely basis. The loan is repayable on yearly basis with last payment being on June 2034.
- c) The Dhofar International Energy Services Company, LLC, a subsidiary, has obtained term loans of RO 10.8 million (2022: RO 10.8 million) from a commercial bank in Sultanate of Oman. These loans were repayable in lump sum on 31 December 2022. These carry interest of 6.5% per annum (2022: 6.5% per annum) and are secured by corporate guarantee from the Parent Company. The subsidiary has renegotiated this loan with the commercial bank and extended the maturity of the loan to 31st December 2026, with structured annual repayment over a 4 year period.
- d) These loans are secured against the investments of the Parent Company with a market value of RO 159,871,860.
- e) The Parent company paid upfront fees for arrangement of syndicated loan. These fees are amortised over the term of loan as deferred finance cost. The movement in deferred finance cost is as follows:

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24 Loans and borrowings (continued)

	<u>Group and Parent Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>
At 1 January	1,385,256	1,520,462
Addition during the period	984,000	62,604
Amortization during the period	(1,385,256)	(64,930)
At 30 June	<u>984,000</u>	<u>1,518,136</u>

f) The maturity profile of the long term gross loans (excluding interest) from commercial banks is as follows:

2023	<u>Up-to 1 year</u>	<u>1 - 2 years</u>	<u>Above 2 years</u>	<u>Total</u>
Group	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Long term loans	<u>5,690,000</u>	<u>9,090,000</u>	<u>78,065,000</u>	<u>92,845,000</u>
2023				
Parent Company				
Long term loans	<u>3,690,000</u>	<u>7,790,000</u>	<u>70,520,000</u>	<u>82,000,000</u>
2022				
Group				
Long term loans	<u>10,845,000</u>	<u>2,065,000</u>	<u>89,726,000</u>	<u>102,636,000</u>
2022				
Parent Company				
Long term loans	<u>-</u>	<u>2,065,000</u>	<u>89,726,000</u>	<u>91,791,000</u>

25 Net assets per share

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Net assets attributable to equity holders	<u>129,190,186</u>	<u>128,781,599</u>	<u>123,567,775</u>	<u>123,567,775</u>
Number of shares	<u>409,246,316</u>	<u>409,246,316</u>	<u>409,246,316</u>	<u>409,246,316</u>
Net assets per share	<u>0.316</u>	<u>0.315</u>	<u>0.302</u>	<u>0.302</u>

26 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the net profit for the period attributable to shareholders of the Parent Company and the weighted average number of shares outstanding during the period.

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Net profit for the period	<u>2,132,368</u>	<u>2,132,368</u>	<u>5,402,098</u>	<u>5,402,098</u>
Number of shares	<u>409,246,316</u>	<u>409,246,316</u>	<u>409,246,316</u>	<u>409,246,316</u>
Basic earnings per share	<u>0.005</u>	<u>0.005</u>	<u>0.013</u>	<u>0.013</u>

No figure for diluted earnings per share has been presented because the Company has not issued any instruments which would have an impact on earnings per share when exercised.

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27 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Parent Company and the Group has entered into transactions with its associates and other entities over which certain directors are able to exercise significant influence. The nature of the significant type of related party transactions during the period was as follows:

	Group		Parent	
	2023	2022	2023	2022
	RO	RO	RO	RO
a) Transactions during the period				
Dividend income from associates	4,751,253	4,701,698	2,829,679	2,820,035
Dividend income from other related parties	852,285	842,346	855,011	802,234
Sale of shares through an associate	10,239	10,239	320,841	297,700
Interest income from a subsidiary	-	236,460	-	217,897
Interest income from an associate and other related parties	47,773	46,364	65,758	65,434
Interest expense to associate and other related parties	1,431,772	1,240,655	1,616,460	1,472,577
Rent income from an associate	36,480	36,480	36,480	36,480
Insurance expenses paid	57,067	57,067	44,680	44,680
Short term advance to subsidiary	-	248,116	-	150,000
Brokerage and commission to an associates	36	36	1,123	1,042
b) Key management compensation				
Salaries and other short term employment benefits	355,956	301,686	297,385	243,115
Terminal benefits	5,937	5,937	9,012	9,012
Social security costs	7,560	2,250	7,560	2,250
	<u>369,453</u>	<u>309,873</u>	<u>313,957</u>	<u>254,377</u>
c) Directors' sitting fees and remuneration				
Directors sitting fees	48,900	36,900	46,500	31,500
d) Balances				
Loans and borrowings from associate and other related	51,800,000	41,000,000	57,386,400	46,586,400
Bank balances and term deposits with related parties	598,548	17,495	656,018	145,355
Due to related parties (note 23)	78,603	78,603	108,260	108,260
Due from related parties (note 11)	202,186	204,202	103,432	103,432
Loan to a subsidiary (note 17)	-	4,950,000	-	4,950,000
Due from subsidiaries (note 11)	-	3,517,473	-	4,921,055

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28 Commitments and contingent liabilities

	<u>Group and Parent Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>
Guarantees issued by the Parent Company's banker	693,000	1,603,125
<i>Corporate guarantees issued for subsidiaries and associates by the Company</i>		
Omani Gulf food Company LLC (Formerly "Omani Vegetable Oils and Derivatives Company LLC")	5,891,962	4,507,693
Dhofar International Energy Services Company LLC	10,800,000	10,800,000
Salalah Medical Supplies Manufacturing Company LLC	-	2,662,000

29 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 for shareholders 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 dividends paid to shareholders, issue new shares or sell assets to reduce debt. 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 as shown in the statement of financial position less cash and cash equivalents, including term deposits without lien. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios at 30 June is as follows:

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Loans and borrowings - gross	92,845,000	82,000,000	102,636,000	91,791,000
Less: cash and cash equivalent	(3,470,998)	(2,828,375)	(10,588,642)	(610,725)
Net debt	89,374,002	79,171,625	92,047,358	91,180,275
Total equity	129,190,186	128,781,599	123,567,775	123,567,775
Total capital	218,564,188	207,953,224	215,615,133	214,748,050
Gearing ratio	40.89%	38.07%	42.69%	42.46%

30 Fair value measurement

Following table analyses financial instruments carried at fair value, by valuation method. The different level of inputs for determining fair values are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets;

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - Inputs for the assets that are not based on observable market data (that is, unobservable inputs).

30 June 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Group	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<i>Investment in equities through profit & loss</i>				
Quoted investments	22,413,327	-	1,218,756	23,632,083
Unquoted investments	-	-	17,564,528	17,564,528
<i>Investment in equities through Other comprehensive income</i>				
Quoted investments	800,067	-	-	800,067
Unquoted investments	-	-	415,062	415,062
<i>Term deposits</i>	-	1,830,000	-	1,830,000
<i>Investment property</i>	-	-	247,212	247,212
Total	23,213,394	1,830,000	19,445,558	44,488,952

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30 Fair value measurement (continued)

30 June 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Group	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<i>Investment in equities through profit & loss</i>				
Quoted investments	26,173,897	-	1,406,481	27,580,378
Unquoted investments	-	-	17,383,121	17,383,121
<i>Investment in equities through Other comprehensive income</i>				
Quoted investments	760,061	-	-	760,061
Unquoted investments	47,000	-	374,097	421,097
<i>Term deposits</i>				
	-	1,830,000	-	1,830,000
<i>Investment property</i>				
	-	-	247,212	247,212
Total	26,980,958	1,830,000	19,410,911	48,221,869
30 June 2023				
Parent Company	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<i>Investment in equities through profit & loss</i>				
Quoted investments	20,810,697	-	1,218,756	22,029,453
Unquoted investments	-	-	3,466,433	3,466,433
<i>Investment in term deposits - unquoted</i>				
	-	1,830,000	-	1,830,000
<i>Investment property</i>				
	-	-	247,212	247,212
Total	20,810,697	1,830,000	4,932,401	27,573,098
30 June 2022				
Parent Company	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<i>Investment in equities through profit & loss</i>				
Quoted investments	24,810,092	-	1,406,481	26,216,573
Unquoted investments	-	-	3,794,726	3,794,726
<i>Investment in term deposits - unquoted</i>				
	-	1,830,000	-	1,830,000
<i>Investment property</i>				
	-	-	247,212	247,212
Total	24,810,092	1,830,000	5,448,419	32,088,511

Investment in debts and Group's borrowings, carry commercial rate of interest and accordingly, approximate their fair value. The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values.

Investment property stated at fair value (level 3), which has been determined based on the valuations performed by an independent external valuer. Fair value approximates to its carrying value as at 31 December 2022 and same basis have been adopted for the period ended 30 June 2023. Since, there is no change of assumption regarding these inputs.

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30 Fair value measurement (continued)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Type	Valuation Technique	Significant unobservable inputs
Subordinate advances at FVTPL	<i>Option valuation:</i> Black-Scholes option valuation model that considers the principal amount of subordinated advance, its exercise price, balance period for exercise of option, risk free rate of return and the relative volatility.	- Risk free rate of interest - Annualised volatility
	<i>Loan valuation:</i> Discounted cash flows valuation model that considers the present value of expected future cash flows using discount rate.	- Discount rate
Investment in equities at fair value through profit or loss	<i>Market approach:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee.	- Selection of comparable securities.

31 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk, and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the performance.

The Board of Directors defines risk limits and sets suitable policies in this regard for management of credit risk, liquidity risk as well as market risk relating to the investment and liability management activities of the Group. Risk management is carried out by the management in accordance with documented policies approved by the Board of Directors of the Parent Company.

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31 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk

(i) Interest rate risk

Interest rate risk is the uncertainty of future earnings resulting from fluctuations in interest rates. The risk arises when there is a mismatch in the assets and liabilities, which are subject to interest rate adjustment within a specified period. The Group is exposed to interest rate risk on its interest-bearing assets (term deposits, loan to subsidiary and convertible bonds) and liabilities (subordinated debt, bank overdraft, short and long term loans). The Group carries out periodic analysis and monitors the market interest rates fluctuations taking into consideration the Group's needs. If required, the Group may negotiate the pricing, repay and re-borrow or encash and reinvest. The table below analyses the Group's net assets/liabilities subject to variable and fixed interest rates:

	Fixed interest	Variable	Total
	<u>rate</u>	<u>interest rate</u>	<u>Total</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>
Group			
30 June 2023			
Financial assets			
Bank balances	3,469,428	-	3,469,428
Investment in associate (bonds)	1,099,600	-	1,099,600
Term deposits	1,830,000	-	1,830,000
Total	<u>6,399,028</u>	<u>-</u>	<u>6,399,028</u>
Financial liabilities			
Loans and borrowings -gross	(92,845,000)	-	(92,845,000)
Net liabilities	<u>(86,445,972)</u>	<u>-</u>	<u>(86,445,972)</u>
	Fixed interest	Variable	Total
	<u>rate</u>	<u>interest rate</u>	<u>Total</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>
Parent Company			
30 June 2023			
Financial assets			
Bank balances	2,828,375	-	2,828,375
Investment in associate (bonds)	1,099,600	-	1,099,600
Loan to a subsidiary	4,950,000	-	4,950,000
Term deposits	1,830,000	-	1,830,000
Total	<u>10,707,975</u>	<u>-</u>	<u>10,707,975</u>
Financial liabilities			
Loans and borrowings -gross	(82,000,000)	-	(82,000,000)
Net liabilities	<u>(71,292,025)</u>	<u>-</u>	<u>(71,292,025)</u>

The Group and Parent Company is exposed to interest rate risk with respect to financial assets and liabilities having variable interest rates if the interest rate were to shift by 50 basis points, there would have been an increase/decrease in the interest expense of nil for the Group (2022: nil for the Group). As of the reporting date, most of the Group's assets and certain borrowings are at fixed interest rate. As these loans are carried at amortised cost, any changes in applicable market interest rates would have no effect on the Group's incomes/expenses.

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31 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(i) *Interest rate risk* (continued)

	Fixed interest rate <u>RO</u>	Variable interest rate <u>RO</u>	<u>Total</u> <u>RO</u>
Group			
30 June 2022			
<i>Financial assets</i>			
Bank balances	10,583,513	-	10,583,513
Investment in associate (bonds)	1,649,400	-	1,649,400
Term deposits	1,830,000	-	1,830,000
Total	<u>14,062,913</u>	<u>-</u>	<u>14,062,913</u>
<i>Financial liabilities</i>			
Loans and borrowings -gross	(102,636,000)	-	(102,636,000)
Net liabilities	<u>(88,573,087)</u>	<u>-</u>	<u>(88,573,087)</u>
Parent Company			
30 June 2022			
<i>Financial assets</i>			
Bank balances	610,725	-	610,725
Investment in associate (bonds)	1,649,400	-	1,649,400
Loan to a subsidiary	4,950,000	-	4,950,000
Term deposits	1,830,000	-	1,830,000
Total	<u>9,040,125</u>	<u>-</u>	<u>9,040,125</u>
<i>Financial liabilities</i>			
Loans and borrowings -gross	(91,791,000)	-	(91,791,000)
Net liabilities	<u>(82,750,875)</u>	<u>-</u>	<u>(82,750,875)</u>

(ii) *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market. The Group is exposed to equity price risk with respect to its quoted financial assets. This arises from financial assets held by the Group for which prices in the future are uncertain. The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board. The Group's policy requires that the overall market position for trading portfolio is monitored on a daily basis by the Group's General Manager and quarterly by the Investment Committee. The Group's strategic financial assets are monitored quarterly by Investment Committee and the Board. After the adoption of equity accounting for associates in 2020, the associates are not exposed to price risk.

The table below summarises the impact of increase/decreases of the equity index on the gains/losses on the quoted equity securities including the investments in associates which are recorded at fair value in the Parent company books, on the assumption that the equity index had increased/decreased by 5% with all other variables held constant:

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31 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(ii) Price risk (continued)

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
MSX Index				
Financial assets at fair value through profit or loss	1,181,604	1,101,473	1,379,019	1,310,829
Financial assets at fair value through other comprehensive income	40,003	-	38,003	-
	<u>1,221,607</u>	<u>1,101,473</u>	<u>1,417,022</u>	<u>1,310,829</u>

(iii) Foreign currency risk

Foreign currency risk is the risk arising from future commercial transactions or recognised financial assets or liabilities being denominated in a currency that is not the Group's functional currency.

The majority of foreign currency transactions are in US Dollars or in currencies linked to the US Dollar. The rate of exchange between the Rial Omani and the US Dollar has remained unchanged since January 1986.

b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Group is exposed to credit risk on term deposit, receivables and bank balances. Loss allowances are provided for expected credit losses at the reporting date, if any. The Group monitors receivables on a regular basis and ensures bank balances and deposits are placed with reputable financial institutions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The maximum exposure to credit risk at the reporting date was:

	<u>Group</u> <u>2023</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2023</u> <u>RO</u>	<u>Group</u> <u>2022</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2022</u> <u>RO</u>
Bank balances	3,469,428	2,827,375	10,583,513	609,725
Loan to a subsidiary	-	4,950,000	-	4,950,000
Investment in term deposits	1,830,000	1,830,000	1,830,000	1,830,000
Receivables (excluding prepayments)	341,096	3,721,674	103,432	5,024,487
	<u>5,640,524</u>	<u>13,329,049</u>	<u>12,516,945</u>	<u>12,414,212</u>

The Group limits its credit risk with regard to investment in term deposits and bank balances by dealing predominantly with rated banks. The table below shows the term deposits and bank balances with the counterparties analysed by rating:

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31 Financial risk management (continued)

Financial risk factors (continued)

b) Credit risk (continued)

Bank ratings	Rating Agency	Group		Parent	
		<u>2023</u> <u>RO</u>	<u>2022</u> <u>RO</u>	<u>2023</u> <u>RO</u>	<u>2022</u> <u>RO</u>
P-1	Moody's	1,834,513	1,834,513	2,022,131	2,022,131
P-3	Moody's	60,999	-	183,232	92,663
NP	Moody's	3,403,915	2,822,862	10,208,150	324,931
		<u>5,299,427</u>	<u>4,657,375</u>	<u>12,413,513</u>	<u>2,439,725</u>

The rest of the balance in “cash and cash equivalents” is cash in hand.

It is not the practice of the Group to obtain collateral over receivables and these are, therefore, unsecured. Credit risk is limited to the carrying value of financial assets in the statement of financial position.

c) 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 in managing liquidity is to ensure, as far as possible, to 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping credit lines available. Typically the Group ensure that it has sufficient cash on demand and facilities available to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group has access to credit facilities.

The table below analyses the Parent company’s and Group’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	<u>Carrying amount</u> <u>RO</u>	<u>Less than 3 months</u> <u>RO</u>	<u>3 to 12 months</u> <u>RO</u>	<u>Above 1 year</u> <u>RO</u>	<u>No fixed maturity</u> <u>RO</u>
At 30 June 2023					
Long term loans -gross	92,845,000	-	5,690,000	87,155,000	-
Other liabilities and tax payable	684,660	478,799	69,981	-	135,879
	<u>93,529,660</u>	<u>478,799</u>	<u>5,759,981</u>	<u>87,155,000</u>	<u>135,879</u>
Future interest payable	<u>41,759,799</u>	<u>1,510,847</u>	<u>4,435,789</u>	<u>35,813,163</u>	<u>-</u>

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31 Financial risk management (continued)

Financial risk factors (continued)

c) Liquidity risk (continued)

Group	Carrying amount RO	Less than 3 months RO	3 to 12 months RO	Above 1 year RO	No fixed maturity RO
At 30 June 2022					
Long term loans -gross	102,636,000	-	10,845,000	91,791,000	-
Other liabilities and tax payable	661,260	493,451	59,430	-	108,379
	<u>103,297,260</u>	<u>493,451</u>	<u>10,904,430</u>	<u>91,791,000</u>	<u>108,379</u>
Future interest payable	<u>44,282,001</u>	<u>1,796,488</u>	<u>5,159,710</u>	<u>37,325,803</u>	<u>-</u>
Parent Company	Carrying amount RO	Less than 3 months RO	3 to 12 months RO	Above 1 year RO	No fixed maturity RO
At 30 June 2023					
Long term loans -gross	82,000,000	-	3,690,000	78,310,000	-
Other liabilities	297,443	128,658	69,981	-	98,804
	<u>82,297,443</u>	<u>128,658</u>	<u>3,759,981</u>	<u>78,310,000</u>	<u>98,804</u>
Future interest payable	<u>39,954,847</u>	<u>1,333,904</u>	<u>3,973,630</u>	<u>34,647,313</u>	<u>-</u>
Parent Company	Carrying amount RO	Less than 3 months RO	3 to 12 months RO	Above 1 year RO	No fixed maturity RO
At 30 June 2022					
Long term loans -gross	91,791,000	-	-	91,791,000	-
Other liabilities	264,162	129,924	59,430	-	74,808
	<u>92,055,162</u>	<u>129,924</u>	<u>59,430</u>	<u>91,791,000</u>	<u>74,808</u>
Future interest payable	<u>43,751,173</u>	<u>1,619,545</u>	<u>4,805,825</u>	<u>37,325,803</u>	<u>-</u>

The above liabilities are categorised into their respective contractual maturities. In order to manage its liquidity risk, the group may roll over existing facilities, borrow new funds or liquidate its securities to repay.

32 Segment information

During the year 2020, the Board of Directors updated their strategy for certain core investments and classified subsidiaries and associates as long-term strategic investments. Accordingly, reportable segments for the year have been revised at Group Level.

The Investment Committee makes the strategic resource allocations on behalf of the Group. The Group has determined the operating segments based on the reports reviewed by the Investment Committee that makes strategic decision. The Investment Committee considers the business as three sub-portfolios as below.

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32 Segment information (continued)

The reportable operating segments derive their income by seeking investments/funds to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in value of investments. The ‘strategic investments’ include investments in subsidiaries and associates except Garden Hotel, LLC which is shown in ‘Hospitality’. All other equity investments and debt portfolio is included in ‘Non-strategic Investments’

The segment information provided to Investment Committee for the reportable business segments is as follows:

Group	Strategic Investments RO	Non- strategic Investments RO	Hospitality RO	Un-allocated RO	Total RO
At 30 June 2023					
Dividend income	-	1,093,212	108,134	-	1,201,346
Net revenue from Subsidiary	-	-	165,218	-	165,218
Gain on sale of financial assets at fair value through profit or loss	-	-	-	-	-
Unrealized loss on financial assets at fair value through profit or loss	-	(727,663)	6,734	-	(720,929)
Interest income	-	-	-	75,613	75,613
Other income	-	-	970	49,049	50,019
Segment total income	-	365,549	281,056	124,662	771,267
Administrative and general expenses	-	-	(105,486)	(982,773)	(1,088,259)
Depreciation	-	-	(67,568)	(29,316)	(96,884)
Finance cost	-	-	-	(2,877,005)	(2,877,005)
Amortisation of deferred	-	-	-	(1,385,256)	(1,385,256)
Share of profit from associates	6,808,505	-	-	-	6,808,505
Segment profit for the period	6,808,505	365,549	108,002	(5,149,688)	2,132,368
Segment assets	167,706,253	41,196,611	6,141,215	6,691,767	221,735,845
Segment liabilities	-	-	5,882,459	86,663,201	92,545,660
Capital expenditures	-	-	1,852	4,872	6,724

Net revenue from subsidiary represents gross revenue of RO 189,849 and direct costs of RO 24,631 from Garden Hotel.

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32 Segment information (continued)

Group	Strategic Investments	Non- strategic Investments	Hospitality	Un-allocated	Total
At 30 June 2022	RO	RO	RO	RO	RO
Dividend income	-	1,239,303	57,077	-	1,296,380
Net revenue from Subsidiary	-	-	139,191	-	139,191
Loss on sale of financial assets at FVPL	-	(47)	-	-	(47)
Unrealized gain on FVPL	-	1,669,855	99,145	-	1,769,000
Interest income	-	-	-	199,121	199,121
Other income	-	-	299	40,862	41,161
Segment total income	-	2,909,111	295,712	239,983	3,444,806
Administrative and general expenses	-	-	(159,979)	(765,966)	(925,945)
Depreciation	-	-	(57,343)	(26,701)	(84,044)
Finance cost	-	-	-	(3,311,638)	(3,311,638)
Amortisation of deferred	-	-	-	(64,930)	(64,930)
Share of profit from associates	6,443,849	-	-	-	6,443,849
Share of loss from dilution of shares in associates	-	-	-	-	-
Segment profit for the period	6,443,849	2,909,111	78,390	(3,929,252)	5,502,098
Segment assets	160,465,654	44,963,499	6,190,338	13,727,408	225,346,899
Segment liabilities	-	-	5,088,610	96,690,514	101,779,124
Capital expenditures	-	-	24,121	-	24,121

Net revenue from Garden Hotel represents gross revenue of RO 154,275 and direct costs of RO 15,084 from Garden Hotel.

33 Events after balance sheet date

- The Board of Directors of the company resolved on 28 May 2023 to sell all of its shares in 'Omani Gulf Food Comany, LLC (OGF)' for an amount of RO 4.154 million in favour of 'Dhofar Food & Investment Company, SAOG (DFIN)'. Accordingly, DFIN has issued 51.924 shares at price of RO 0.080 in favour of DIDIC. The transaction is completed on 24 July 2023 and the company has acquired shareholding of 26.27% in DFIN. Accordingly, DFIN has become an associate as on 24 July 2023. There in no financial impact as of 30 June 2023 in the financial statement of the company and it will be reflected in the financial statements for the period ending as of 30 September 2023.
- The company in its EGM held on 21 June 2023 approved the merger between the company and 'Oman Investment & Finance Co. SAOG (OIFC)' by incorporation method. The company decided to allocate additional 86.810 million shares for the shareholders of OIFC at swap ratio of .3488 shares in DIDIC. However, on 10 July 2023 Capital Market Authority (CMA) through its decision 46/2023 dated 10 July 2023 suspended the implementation of meger. The final outcome of the merger is still unclear and therefore, no financial impact is provided in the financial statements of the company for ther period ending as of 30 June 2023.