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Expanding Our Reach, Empowering Global Logistics From Oman to the World

Financial Report | **2024**

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ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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Sultanate of Oman

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ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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Asyad Group SAOC
Muscat,
Sultanate of Oman

After Compliments,

The Board of Directors submit their report and the consolidated financial statements for the year ended 31st of December 2024.

1. Principal Activities

ASYAD Group SAOC ("ASYAD" or the "Company" or "the Parent Company") and its subsidiaries together (the "Group") are engaged in various activities in the logistics sector including freight forwarding, shipping, ports, free zones, express and postal services. In addition to ship repairs and public transport. These services enable the Company to offer integrated solutions globally. By leveraging its diverse and powerful assets, Asyad delivers efficient and reliable solutions that strengthen Oman's position as a critical hub in global trade.

2. Financial Position and Performance

The Board is pleased to report net profit of RO 52.87 million for the year ended 31 December 2024. This is compared to the net profit for the year 2023 of 46.86 million. The group achieved an operating profit level of OMR 55.20 million in 2024 against OMR 41.56 million in 2023 because of improvements across the Group's operations and business activities compared to 2023 primarily in the freight markets due to the acquisition of SFS, a freight forwarding company. In addition to that, strong tanker markets during 2024, while impact of red sea was positive on container freight rates. Lastly, 2024 witnessed an increase in passenger activity and the introduction of two international routes from buses.

The Group debt-to-equity ratio dropped to 1.01 for the year 2024 compared to 1.14 for the year 2023 mainly due to increase in total equity and reduction in total debt compared to last year.

ASYAD continues to work towards improvement of logistics sector in Oman and continues to engage with private sector in all its endeavors.

3. Dividends

The Group received a total dividend of OMR 6.00 million from joint ventures, associates and equity investments.

The Group proposed to declare cash dividends of OMR 16,449,740 to shareholders.

4. Going Concern

As of 31 December 2024, the Group has a current asset position of RO 353.2 million and current liability position of RO 279.7 million. The Group is confident that it will be able to meet its obligations as and when they fall due through its operations for the coming year. Accordingly, these consolidated financial statements are prepared on a going concern basis.

5. Governance

As of 31 December 2024, the Group has committed to adhering to the provisions of corporate governance approved by the Board of Directors ("the Board") and outlined in the Oman Investment Authority ("OIA") Code of Governance. The Board and Asyad Group Management are committed to achieving a high level of transparency, accountability, and ethical business conduct, with the ultimate goal of enhancing long-term shareholder value while addressing the interests and needs of all stakeholders.

6. Ultimate Controlling Party

Asyad Group S.A.O.C is 100% owned by OIA which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

7. Future of the Company

The forward outlook for ASYAD Group entails a continued focus on expanding its Integrated Logistics offerings and products to facilitate cross-selling and capitalize on collective buying power. This strategic approach aims to generate a multiplier effect across all business verticals. Additionally, the Group will prioritize international expansion through mergers and acquisitions in the different logistic verticals. These initiatives will not only support ASYAD's growth and diversification objectives but also contribute to the development of the logistics sector, fostering a sustainable business model and enhancing future shareholder value.

8. Auditor

The consolidated financial statements have been audited by KPMG LLC.

For and on behalf of the Board of Directors

Directors
ASYAD Group SAOC

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Independent auditors' report

To the Shareholder of Asyad Group SAOC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asyad Group SAOC and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

Continued on 3(b)

Continued from 3(a)

Other Information *(continued)*

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Continued on 3(c)

Continued from 3(b)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

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

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

(ii) the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;

(iii) the Group has carried out physical verification of inventories;

(iv) the financial information included in the Board of Directors' report is consistent with the books of accounts of the Group; and

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

KPMG

28 March 2025

KPMG LLC

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ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 RO	2023 RO
ASSETS			
Non-current assets			
Property, vessels and equipment	8	**844,669,341**	856,253,370
Investment property	9	**24,605,970**	25,560,073
Intangible assets and goodwill	10	**28,148,325**	14,877,617
Investments accounted for using the equity method	11	**144,352,160**	123,065,608
Receivables under finance lease arrangements	13(a)	**114,736,646**	123,427,086
Loans receivable	13(b)	**371,199**	7,632,419
Financial assets at fair value through other comprehensive income	14	**101**	101
Derivative financial instruments	22	**648,400**	1,389,575
Other assets	16	**12,719,669**	13,040,687
Bank deposits	13(f)	**12,700,000**	92,417,791
Deferred tax assets	34	**807,991**	6,993,748
		1,183,759,802	1,264,658,075
Current assets			
Inventories	15	**18,766,106**	19,137,287
Other assets	16	**22,331,233**	21,851,433
Receivables under finance lease arrangements	13(a)	**8,527,822**	7,626,321
Trade receivables	13(c)	**53,712,527**	34,326,637
Derivative financial instruments	22	**1,215,913**	3,095,782
Other financial assets at amortised cost	13(d)	**34,781,787**	32,814,217
Cash and cash equivalents	13(f)	**62,465,226**	89,271,181
Margin and other deposits	13(f)	**151,398,463**	86,793,602
		353,199,077	294,916,460
Total assets		**1,536,958,879**	1,559,574,535

The notes and other explanatory information on pages 9 to 69 form an integral part of these consolidated financial statements.

Independent auditor's report - page 3 - 5.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 RO	2023 RO
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	17	452,063,884	337,463,178
Share capital pending registration	17	-	114,600,706
Legal reserve	18	29,380,549	16,809,924
Cumulative changes in fair values of derivatives		16,903,006	19,415,356
Retained earnings		196,696,231	178,334,864
Equity attributable to the owners of the Parent Company		**695,043,670**	**666,624,028**
Non-controlling interests	7	18,281,977	12,664,714
Total equity		**713,325,647**	679,288,742
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	19	530,563,564	566,136,572
Provisions	24	1,371,469	2,283,932
Government grants	20	6,935,233	8,020,763
Derivative financial instruments	22	17,899	17,899
Provision for employees' end of service benefits	23	5,023,147	4,284,897
		543,911,312	580,744,063
Current liabilities			
Trade and other payables	25	88,974,112	87,392,384
Provisions	24	1,495,375	1,172,936
Interest bearing loans and borrowings	19	187,360,336	209,412,029
Government grants	20	934,054	845,729
Income tax payable		958,043	718,652
		279,721,920	**299,541,730**
Total liabilities		**823,633,232**	**880,285,793**
Total equity and liabilities		**1,536,958,879**	**1,559,574,535**

The consolidated financial statements on pages 6 to 69 were approved and authorised for issue by Board of Directors on 19 March 2024 and signed on their behalf by:

Director

Director

The notes and other explanatory information on pages 12 to 84 form an integral part of these consolidated financial statements.

Independent auditor's report - page 3 - 5.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RO	2023 RO
Revenue	27	**492,954,848**	464,722,690
Other income	28	**3,946,248**	30,429,446
Operating costs	29	**(240,212,768)**	(236,573,632)
Depreciation and amortization	8,9&10	**(145,172,070)**	(137,356,720)
Release of provisions	24	**912,465**	912,464
Administrative expenses	30	**(55,453,168)**	(53,864,923)
Net (provision)/reversal for impairment losses on non-financial assets	10	**(35,490)**	(22,235,431)
Net provision for impairment losses on financial assets	13(e)	**(1,736,913)**	(4,471,443)
Operating profit		**55,203,152**	41,562,451
Finance costs	32	**(46,163,790)**	(50,988,959)
Finance income	33	**14,021,373**	18,244,566
Share of results of joint ventures and associates	11	**11,735,520**	10,683,758
Government subsidies and grants	20	**24,981,697**	25,659,514
Profit before tax		**59,777,952**	45,161,330
Taxation	34	**(6,909,060)**	1,698,012
Profit for the year		**52,868,892**	46,859,342
Profit attributable to:			
Owners of the Parent Company		**48,734,215**	43,544,995
Non-controlling interests	7	**4,134,677**	3,314,347
		52,868,892	46,859,342
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges – effective portion of changes in fair value [1]		**(2,614,274)**	(7,731,407)
Total comprehensive income for the year		**50,254,618**	39,127,935
Total comprehensive income attributable to:			
Owners of the Parent Company		**46,221,865**	35,895,498
Non-controlling interests		**4,032,753**	3,232,437
		50,254,618	39,127,935

[1] The cash flow hedges do not have any tax impact as these relate to entities registered in tax haven jurisdictions.

The notes and other explanatory information on pages 9 to 69 form an integral part of these consolidated financial statements.

Independent auditor's report - page 3 - 5.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Parent Company							
	Share capital RO	Share capital pending registration RO	Legal reserve RO	Cumulative changes in fair values RO	Retained earnings RO	Total RO	Non-controlling interests RO	Total equity RO
At 1 January 2023	337,463,178	114,600,706	12,168,530	27,064,853	139,431,263	630,728,530	13,281,952	644,010,482
Comprehensive income								
Profit for the year	-	-	-	-	43,544,995	43,544,995	3,314,347	46,859,342
Other comprehensive income								
Transfer to legal reserve (note 18)	-	-	4,641,394	-	(4,641,394)	-	-	-
Fair value of cash flow hedge adjustments - gross	-	-	-	(3,583,608)	-	(3,583,608)	(81,910)	(3,665,518)
Reclassification to profit or loss – gross (note 32)	-	-	-	(4,065,889)	-	(4,065,889)	-	(4,065,889)
Total other comprehensive income	-	-	4,641,394	(7,649,497)	(4,641,394)	(7,649,497)	(81,910)	(7,731,407)
Total comprehensive income for the year	-	-	4,641,394	(7,649,497)	38,903,601	35,895,498	3,232,437	39,127,935
Transactions with owners								
AP NCI adjustment	-	-	-	-	-	-	308,325	308,325
Dividends	-	-	-	-	-	-	(4,158,000)	(4,158,000)
Total transactions with owners	-	-	-	-	-	-	(3,849,675)	(3,849,675)
31 December 2023	337,463,178	114,600,706	16,809,924	19,415,356	178,334,864	666,624,028	12,664,714	679,288,742

	Attributable to owners of the Parent Company							
	Share capital RO	**Share capital pending registration RO**	**Legal reserve RO**	**Cumulative changes in fair values RO**	**Retained earnings RO**	**Total RO**	**Non-controlling interests RO**	**Total equity RO**
At 1 January 2024	**337,463,178**	**114,600,706**	**16,809,924**	**19,415,356**	**178,334,864**	**666,624,028**	**12,664,714**	**679,288,742**
Comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**48,734,215**	**48,734,215**	**4,134,677**	**52,868,892**
Other comprehensive income								
Transfer to legal reserve (note 18)	**-**	**-**	**12,570,625**	**-**	**(12,570,625)**	**-**	**-**	**-**
Fair value of cash flow hedge adjustments - gross	**-**	**-**	**-**	**346,918**	**-**	**346,918**	**(1,043)**	**345,875**
Reclassification to profit or loss – gross (note 32)	**-**	**-**	**-**	**(2,859,268)**	**-**	**(2,859,268)**	**(100,881)**	**(2,960,149)**
Total other comprehensive income			**12,570,625**	**(2,512,350)**	**(12,570,625)**	**(2,512,350)**	**(101,924)**	**(2,614,274)**
Total comprehensive income for the year			**12,570,625**	**(2,512,350)**	**36,163,590**	**46,221,865**	**4,032,753**	**50,254,618**
Transactions with owners								
Registration of shares	**114,600,706**	**(114,600,706)**	**-**	**-**	**-**	**-**	**-**	**-**
SFS & ACT NCI adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**5,396,010**	**5,396,010**
Dividends	**-**	**-**	**-**	**-**	**(17,802,223)**	**(17,802,223)**	**(3,811,500)**	**(21,613,723)**
Total transactions with owners	**114,600,706**	**(114,600,706)**	**-**	**-**	**(17,802,223)**	**(17,802,223)**	**1,584,510**	**(16,217,713)**
31 December 2024	**452,063,884**	**-**	**29,380,549**	**16,903,006**	**196,696,231**	**695,043,670**	**18,281,977**	**713,325,647**

The notes and other explanatory information on pages 9 to 69 form an integral part of these consolidated financial statements.

Independent auditor's report - page 3 - 5.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RO	2023 RO
Operating activities			
Profit before tax		**59,777,952**	45,161,330
Adjustments for:			
Depreciation and amortisation	8,9&10	**145,172,070**	137,356,720
Net provision/(reversal) for impairment losses on non-financial assets	8&9	**35,490**	22,235,431
Net provision for impairment losses on financial assets	13	**1,736,913**	4,471,443
Release of provisions	24	**(912,465)**	(912,464)
(Gain)/loss on disposal of assets		**(80,389)**	(18,120,653)
Share of results of joint ventures and associates	11	**(11,735,520)**	(10,683,758)
Government subsidies and grants (including amortisation)	20	**(24,981,697)**	(25,659,514)
Provision for employees' end of service benefits	23	**1,040,313**	1,646,511
Finance income	33	**(14,021,373)**	(18,244,566)
Finance cost	32	**46,163,790**	50,988,959
Provisions	24	**322,439**	329,160
Accrued lease rental income		**321,018**	(201,080)
Profit before changes in working capital		**202,838,541**	188,367,519
Changes in working capital:			
Inventories		**234,139**	2,906,846
Trade and other receivables		**(21,397,428)**	1,785,037
Trade and other payables		**1,581,276**	(1,520,069)
Other assets – current		**(479,800)**	3,280,105
Other financial assets at amortised costs		**4,862,107**	1,462,669
Margin deposits		**(10,772,781)**	3,127,260
Cash generated from operations		**176,866,054**	199,409,367
Employees' end of service benefits paid	23	**(777,687)**	(800,588)
Income tax paid		**(466,193)**	(428,367)
Interest paid		**(46,163,790)**	(50,988,959)
Net cash generated from operating activities		**129,458,384**	147,191,453
Investing activities			
Purchase of property, vessels and equipment	8&10	**(67,201,952)**	(80,303,883)
Investment in joint ventures		**(15,554,311)**	(6,739,825)
Loans receivable		**7,261,220**	143,139
Fixed deposits		**25,885,711**	(50,763,022)
Receipts under finance lease arrangements		**7,799,540**	6,966,403
Dividend from joint ventures and associates		**6,003,223**	8,701,200
Finance income		**14,021,373**	18,244,566
Proceeds from disposal of assets		**181,315**	75,310,957
Net cash (used in)/generated from investing activities		**(21,603,881)**	(28,440,465)
Financing activities			
Repayment of term loans and capital element of lease liabilities		**(121,944,674)**	(129,582,743)
Dividend paid to shareholders		**(21,613,723)**	(4,158,000)
Government grants and subsidies received		**17,133,052**	27,485,438
Net cash used in financing activities		**(126,425,345)**	(106,255,305)
Change in cash and cash equivalents		**(18,570,842)**	12,495,683
Cash and cash equivalents at beginning of year		**81,036,068**	68,540,385
Cash and cash equivalents at end of year (note 13(f))		**62,465,226**	81,036,068

Reconciliation of liabilities arising from financing activities (note 13(f)).

The notes and other explanatory information on pages 9 to 69 form an integral part of these consolidated financial statements.

Independent auditor's report - page 3 - 5.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Legal status and principal activities

ASYAD Group SAOC ("ASYAD" or the "Company" or "the Parent Company") and its subsidiaries together (the "Group") are engaged in various activities in the logistics sector including maritime, ports, free zones and on land logistics. The Group operates internationally through its subsidiaries Asyad Shipping Company SAOC ("ASC"/"Asyad Shipping") and Asyad Logistics LLC ("AL"/"Asyad Logistic"), whilst the remainder of the Group largely operates in the Sultanate of Oman. During the year, Oman Shipping Company SAOC changed its name to Asyad Shipping Company SAOC.

The Company was registered with the name Oman Rail Company SAOC as a closed Joint Stock Company with the Ministry of Commerce and Industry, Sultanate of Oman on 7 July 2014 with an authorised capital of RO 500,000. The Company was formed under a Directive of the Supreme Council for Planning no. 5-2-2012 with the principal objective of developing the railway network for Oman.

On 19 April 2016 at an Extraordinary General Meeting of its shareholders, Oman Rail Company SAOC changed its name to Oman Global Logistics Group SAOC and updated its Articles of Association to reflect its role as the Government of the Sultanate of Oman's ("Government") Sector Company for the logistics sector pursuant to a decision issued by the Financial & Energy Resources Council at its meeting No. 3/2015 dated 20 May 2015. In 2020, the name of the Company was changed to ASYAD Group SAOC.

The Company is tasked with implementing Oman's logistics strategy, acting as the Government's investment arm in the logistics sector while also managing the investments transferred to it by the Government.

As of 31 December 2019, the Company was 100% owned by Ministry of Finance ("MOF"), Government of Sultanate of Oman. In June of 2020, by way of a Royal Decree 61/2020 issued by His Majesty Haitham bin Tairk the Sultan of Oman, the Oman Investment Authority ("OIA / Parent Company") was formed. Through this decree, all the competences, allocations, rights, obligations, records, holdings, assets, and investments related to the State General Reserve Fund, Oman Investment Fund, and the Directorate General of Investments in the MOF were transferred to OIA. Therefore, effective from June 2020, ASYAD is 100% owned by OIA which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

2 Basis of preparation

(a) The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Commercial Companies Law of 2019.

(b) The consolidated financial statements have been presented in Rials Omani ("RO"). The functional currency of the Company is RO.

(c) The consolidated financial statements are prepared under the historical cost convention modified where applicable for financial assets and financial liabilities carried at fair value and disclosed in financial statements.

(d) The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(e) *New and amended standards adopted by the Group:*

The Group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2024.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

New accounting standards or amendments	**Effective for annual periods beginning on or after**
Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS 1	01 January 2024
Supplier Finance Arrangements - Amendment to IAS 7 and IFRS 7	01 January 2024
Lease liability in a sale and leaseback - Amendments to IFRS 16	01 January 2024

The above standards and amendments do not have any material impact on the Group financial statements.

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2 Basis of preparation (continued)

(f) New standards and interpretations not yet adopted:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(g) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

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

New accounting standards or amendments	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to IAS 21	01 January 2025
Classification and measurement of financial instruments IFRS 9 and IFRS 7	01 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	01 January 2026
IFRS 18 Presentation and disclosure in financial statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

3 Summary of material accounting policies

The Group's principal accounting policies are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of consolidation

(a) Business combination

The Group accounts for the business combinations using the acquisition method where control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

(b) Subsidiaries

Subsidiaries are all entities (including structured 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. Losses applicable to the non-controlling interests in a subsidiary are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of comprehensive income. If the Group retains any interest on entity that was a subsidiary in the past, then such interest is measured according to IFRS 9 after the control is lost. Subsequently, it is accounted for as associate, joint venture or as a financial asset depending on the level of influence retained.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

3 Summary of material accounting policies (continued)

3.1 Basis of consolidation (continued)

(c) 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 after being initially recognized at cost. Investment in associates includes goodwill identified on acquisition.

(d) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(e) Equity method

Under the equity method of accounting, interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of another entity.

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

Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the profit or loss section of the statement of comprehensive income.

(f) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries are adjusted to conform to the group's accounting policies.

(g) Disposal of subsidiaries (loss of control)

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value under IFRS 9.

(h) Non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. 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 reserve attributable to the parent. Gains or losses on disposals to non-controlling interests are also recorded in equity reserve attributable to the parent.

(i) Accounting for business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities, 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.

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3 Summary of material accounting policies (continued)

3.1 Basis of consolidation (continued)

(i) Accounting for business combinations (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

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 contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

3.2 Property, vessels and equipment

(a) Owned assets

Items of property, vessels, and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of marine vessels includes purchase price paid to third parties, including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and financing costs incurred during the construction period of vessels. Costs for other items of property, and equipment include expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, vessels, and equipment have different useful lives, they are accounted for as separate items of property and equipment.

(b) Subsequent expenditure

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in property and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred. Costs incurred to refurbish owned assets are capitalised within property and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

(c) Dry docking costs

The expenditure incurred on vessel dry docking, a component of property and equipment, is amortised over the period from the date of dry docking, to the date on which the management estimates that the next dry docking is due which is generally between two and half to five years.

Gains and losses on disposal of property, vessel and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit (loss) for the year.

(d) Depreciation

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

	Years
Buildings and related improvements	3-30
Infrastructure development	5-20
Housing complex	25
Machinery	3-10
Vessels	20-30
Dry docking charges	2½-5
Furniture and fixtures and computer equipment	2-10
Business specific equipment	3-35
Motor vehicles	3-10

3 Summary of material accounting policies (continued)

3.2 Property, vessels and equipment (continued)

(d) Depreciation (continued)

The cost of certain assets used on specific contracts is depreciated to estimated residual value over the period of the respective contract, including extensions if any. Depreciation method, useful lives and residual values are reviewed at each reporting date.

The depreciation period for secondhand vessels owned by Asyad Shipping Company SAOC is determined on the basis of the condition and age of the vessels at the time of acquisition, but the depreciation period for such vessels does not exceed 25 years from delivery from the shipyard.

The carrying values of property, vessels and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

(e) Capital work-in-progress

Capital work-in-progress is stated at cost and comprises all costs including borrowing costs directly attributable to bringing the assets under construction ready for their intended use. Capital work-in-progress is transferred to property and equipment at cost on completion. No depreciation is charged on capital work-in-progress.

3.3 Intangible assets and goodwill

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill if they:

- Meet IFRS 3’s general recognition principles - assets acquired and liabilities assumed are recognised if they meet the definition of an asset or liability in the Conceptual Framework for Financial Reporting, and
- are identifiable.

According to IAS 38, an acquired intangible asset is identifiable if it meets either of the following criteria:

- Contractual/legal - arising from contractual or legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations
- Separable - capable of being separated or divided from the acquiree and sold, transferred, licensed, rented or exchanged either individually or together with a related contract, identifiable asset or liability.

Intangible assets other than goodwill that have been acquired and have finite lives are measured at fair value upon acquisition less accumulated amortisation and any accumulated impairment losses.

An intangible asset related to favorable lease terms is recognised upon acquisition and amortised over the term of the agreement, where the terms are favorable compared to observable market data and/or future economic benefits of the lease at the acquisition date.

Receivables from the Government are released against additional cash receipts from Government.

Intangible assets arising from contractual or legal rights are recognised upon acquisition at the present value of net economic benefits over the term of the contract, and amortised over the term of the contract.

Amortisation is calculated on a straight-line basis over the estimated lives of the assets as follows:

	Years
Favorable lease terms	5-30
Contractual rights	5-16
Trademark	3

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

3 Summary of material accounting policies (continued)

3.3 Intangible assets and goodwill (continued)

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in a business combination is initially measured at cost being the excess of the consideration paid over the Group's interest in the net fair value of the separately identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairments, annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash- generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial forecasts approved by the Board of Directors, contractual cash flows and projections by the management using industry reports, consultant's forecast and other data available to the management.

3.4 Leases

(a) Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its vessels.

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss within the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Finance leases, which transfer from the Group substantially all of the risks and rewards incidental to ownership of the leased item, are recognised as a disposal of asset at the inception of the lease and are presented as receivables under a finance lease at an amount equal to the net investment in the finance lease. Lease receivables are apportioned between finance income and reductions of the receivables under a finance lease so as to achieve a constant periodic rate of return on the lessor's net investment in the finance lease. Finance income earned is recognised within profit and loss in the consolidated statement of comprehensive income. Lease receivables due within one year are disclosed as current assets.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(b) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

3 Summary of material accounting policies (continued)

3.4 Leases (continued)

(b) Group as a lessee (continued)

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Although the Group does not own land, it has the right to earn rentals through usufruct agreements in place with the relevant Government authorities. Where the Group has the right to issue sub-usufruct agreements, the land is valued separately as an investment property. Any restrictions on usage arising from the usufruct agreement is reflected in the evaluation.

Investment property also comprises of completed property and property under development. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. When commissioned, property under development is transferred to investment property.

After initial recognition, investment property is carried at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

3 Summary of material accounting policies (continued)

3.5 Investment property (continued)

Depreciation on assets is calculated using the straight-line method to allocate their depreciable cost over their estimated useful lives, as follows:

	Years
Land	Indefinite
Building (including lifts which have life of 10 years)	10 - 20
Warehouse	20
Furniture and fixtures	5
Computers	3

Full month depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss.

3.6 End of service benefits

Payment is made to Government of the Sultanate of Oman's Social Security Scheme under Royal Decree 72 / 91 (as amended) for Omani employees. Provision is made for amounts contractually payable under the Labour Laws of Sultanate of Oman Royal Decree 35 / 2003 (as amended) applicable to expatriate employees' accumulated periods of service at the end of the reporting period.

3.7 Onerous Contract

The Company estimates cost to complete for determination of provision for onerous contract, if any and records a provision at the year-end after assessment and the assessment is based on the project completion status and future estimated cost. The Company periodically assess the adequacy of its recorded provision and adjusts the amounts as necessary.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Costs are those expenses incurred in bringing the item of inventory to its present location and condition and are determined at purchase cost on a weighted average cost basis.

Provision is made for slow moving and obsolete inventory items where necessary, based on management's assessment. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.9 Investments and other financial assets

3.9.1 Classification

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

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

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

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

3 Summary of material accounting policies (continued)

3.9 Investments and other financial assets (continued)

3.9.1 Classification (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand, bank balances and short-term deposits with an original maturity of three months or less, from the date of placement, net of bank overdraft. Bank borrowings that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

3.9.2 Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3.9.3 Derecognition

a) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

b) Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

3 Summary of material accounting policies (continued)

3.9 Investments and other financial assets (continued)

3.9.3 Derecognition

b) Derecognition of financial liabilities (continued):

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.9.4 Measurement

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

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

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.9.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9.6 Impairment of financial assets

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

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3 Summary of material accounting policies (continued)

3.9 Investments and other financial assets (continued)

3.9.6 Impairment of financial assets (continued)

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

Impairment of trade receivables and other financial assets at amortised cost

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Group holds the vessels underlying the time charter contracts for finance lease receivables as collateral against the finance lease receivables which has been factored in the loss given default. Management considers 'low credit risk' for entities based on its significant increase in credit risk criteria. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: A ratings downgrade by two notches for rated entities.

Qualitative criteria: Other instruments from unrated entities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Backstop: A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments (except for government entities).

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 2 years past due. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered industry default rate forecasts issued by an external rating agency to incorporate forward-looking factor in its impairment assessment. The default rate forecasts issued by external agency are based on historic default rates for the industry and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies).

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.9.7 Measurement of Expected Credit Losses

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

3 Summary of material accounting policies (continued)

3.10 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

3.11 Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of comprehensive income.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Summary of material accounting policies (continued)

3.11 Impairment of non-financial assets (continued)

The recoverable amount of an asset or its cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Gains and losses on measurement of transactions with shareholders are recognised in equity.

At reporting date, the advance received from shareholders in respect of issuance of ordinary shares and not registered with Ministry of Commerce and Industry is classified as share capital pending registration.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.14 Dividend distribution

Dividends are recognised as a liability in the year in which they are approved by the Company's shareholders.

3.15 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit 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 current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

3.16 Employees' end of service benefits

End of service benefits is a defined benefit plan and the 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 Oman Labour Law 2003, as amended. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to end of service benefits are classified as a non-current liability.

Contributions to a defined contribution retirement plan 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.

For non-Omani companies the end of service benefits are provided as per the respective regulations in their country.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Group's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the aforesaid Oman Labour Law. Under this method, an assessment is made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Summary of material accounting policies (continued)

3.17 Interest expense

Interest expense on borrowings is calculated using the effective interest rate method. Financing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

Borrowing costs comprise interest payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.18 Income tax

Income tax is provided for in accordance with the fiscal regulations of the country in which the Group operates.

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the equity or other comprehensive income.

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

Deferred tax is provided using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The tax effects on the temporary differences are disclosed under non-current liabilities or non-current assets depending on the nature of the temporary difference.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The assessment regarding adequacy of tax liability for open tax year relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Foreign currency

The functional currency of the individual entities of the largest subsidiary in the Group, Asyad Shipping, is the United States Dollar. As at the reporting date, the assets and liabilities of Asyad Shipping are translated into the presentation currency of the Group (the Rial Omani) at the rate of exchange ruling at the reporting date and their income statements are translated at the weighted average exchange rates for the year.

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

3 Summary of material accounting policies (continued)

3.19 Foreign currency (continued)

Foreign currency differences arising on retranslation are recognised in statement of comprehensive income except for differences arising in retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, to the extent these hedges are effective, which are recognised in other comprehensive income.

3.20 Government subsidies and grants

Within the Group a number of entities receive grants from Government. The basis of accounting for the grants varies according to the business activity of the company receiving the grant as detailed below. In all cases the grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(a) Universal Service Obligation ("USO") provision

For those entities which provide a universal service obligation the amount of subsidy is the amount claimed by the relevant company and accepted by the Government as a reimbursement of costs incurred or as compensation for losses incurred and is recognised in the statement of profit or loss for the period for which it is receivable.

Any excess over and above the loss for the year is recognised in the company's statement of financial position as "Government subsidy received in advance" within "Trade and other payables".

Government grants relating to assets are included in non-current liabilities as deferred government grants and are credited to the statement for profit or loss on a straight-line basis over the expected lives of the related assets.

(b) Commercial activities

For entities where grants are required to support operating cash flows the grants from the Government are recognised at their fair value.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the relevant company will comply with all attached conditions. In certain contracts the primary condition of the grant is that the company should acquire or construct non-current assets in which case the grant is included in non-current liabilities as deferred government grants and is credited to the statement of statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3.21 Revenue recognition

(a) Charter hire income and fees

Revenue associated with vessels leased on time charter party agreements is rendered on the basis of time charter applying the contractual terms of the relevant time charter party agreement. Revenue from rendering of services is recognised when the services are rendered and the outcome of the transaction can be estimated reliably, by applying the contractual terms of the relevant management services agreements.

(b) Freight

For vessels operating on spot charters, voyage revenues are, under the new revenue standard, recognized ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. The Group does not begin recognising voyage revenue until a voyage charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage.

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port if they qualify as fulfillment costs under IFRS 15. To recognize costs incurred to fulfil a contract as an asset, the following criteria shall be met: (i) the costs relate directly to the contract, (ii) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and (iii) the costs are expected to be recovered.

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

(b) Freight (continued)

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port and amortized between load port and discharge port. Vessel expenses are expensed when incurred and include crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs.

Variable consideration which includes demurrage/dispatch, speed bunker differentials, storage revenue is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

Revenue for crew services and repairs-maintenance services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date.'

Further details relating to 'revenue from contract with customers' are disclosed in note 12.

(c) Dividend

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

(d) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

(e) Dry docking revenue

Where services are provided over a longer period of time such as ship repairs, the Group uses the percentage of completion method. Use of this method requires the company to estimate revenues and costs by reference to the stage of completion of the ship repair service at that date. Any revision to revenue and profit arising from changes in estimates is accounted for in the period when the changes become known.

(f) Lease revenue

Revenue from operating leases is recognised on a straight-line basis over the period of the related contract or term of lease.

(g) Other revenue

Other revenues are recognised when the control has transferred to the customer. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The Group has long-term agreements with certain customers which determines performance obligation, transaction price and allocates the transaction price to each of the separate performance obligations.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

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

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

(g) Other revenue (continued)

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

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed to be present in other revenue as the sales are made with a credit period.

The Group does not adjust any of the transaction prices for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

3.21.1 Contracts with customers

Information about the Group's contracts are summarized below:

(i) Freight services

Contract for a voyage charter consists of a single performance obligation to provide the charterer with an integrated transportation service within a specified time period. The contract meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

The Group uses input method to measure the Group's progress towards complete satisfaction of performance obligations satisfied over time. The input method requires the group to recognise revenue rateably over the estimated length of each voyage, calculated on a load-to-discharge basis. The revenue is recognised from the point of disconnection of hoses at the load port to the point of disconnection of hoses at the discharge port. The selected output method depicts the Group's performance towards complete satisfaction of the performance obligations since the duration of voyage can be estimated reasonably and it corresponds directly with the value to the customer of Group's performance completed to date. The Group has not disclosed the transaction price allocated to the remaining performance obligation since the voyage contracts are originally expected to have a duration of one year or less.

Invoicing is as per transaction price (freight rate) agreed to in the contract. The payment terms are for less than a month and accordingly, the transaction price does not contain any significant financing component. Variable consideration which includes demurrage/dispatch, speed bunker differentials, storage revenue is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative

revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer, which is generally raised upon complete satisfaction of performance obligation. The payment is due within 3 to 5 days from the date of invoice, Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port if they qualify as fulfilment costs under IFRS 15. The Group does not commence capitalisation of voyage expenses until a voyage charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. To recognize costs incurred to fulfil a contract as an asset, the following criteria shall be met: (i) the costs relate directly to the contract, (ii) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and (iii) the costs are expected to be recovered. These costs are amortized between load port and discharge port since it is consistent with the transfer to the customer of the services.

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

3.21.1 Contracts with customers (continued)

(ii) Operation and maintenance services of leased vessels

The time charter agreements entered into by the Group include a service element relating to operation and maintenance of leased vessels (i.e. crew services and repairs-maintenance services). The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

The transaction price is allocated based on management estimated stand-alone selling price at contract inception based on observable prices of the type of services likely to be rendered in similar circumstances to similar customers. Discounts are not considered as they are only given in rare circumstances and are never material. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

(iii) Vessel management services

The Group provides crew management and ship maintenance management services to vessels chartered by the Group. The contracts gives rise to a single performance obligations namely vessel management services. The performance obligation relating to such service is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the

passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

The transaction price is based on the service fee defined in the contract. Discounts are not considered as they are only given in rare circumstances and are never material. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

(iv) Ship conversion and repair services

The Group provides ship conversion and repairs services under contracts with customers. Such contracts are entered before the services are rendered. However, such contracts usually do not extend beyond 2 months, except for some high value projects (more than US$ 3 million). The performance obligation is satisfied over time and payment is generally due upon completion of the service and acceptance of customer. In some contracts, short-term advances are required before the service is provided.

Revenue is recognised over time based on the cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities.

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

3.21.1 Contracts with customers (continued)

(iv) Ship conversion and repair services (continued)

The Group becomes entitled to invoice customers for ship conversion and repair services based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third-party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in these contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year. A normal discount is given based on the contract and it applies on gross value of the full project.

(v) Bus and ferry transportation services

The Group provides bus and ferry transportation services. The performance obligation is satisfied when the customer commences the journey and the payment is generally collected before the commencement of journey, with the exception of certain corporates and government owned entities, where the invoice is raised monthly or during journey and the payment is due within 30 to 60 days from the date of invoice.

For certain long-term bus transportation service contracts, the performance obligation is satisfied over time and the payment is due within 30 to 60 days from the date of invoice, which is generally raised monthly. Revenue from providing services is recognised in the accounting period in which the services are rendered. As these are typically fixed list prices, therefore, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

(vi) Advertisement services

The bus transportation division of the Group entered into certain advertisement contracts, which include multiple performance obligations. Where the contracts include multiple performance obligations, such as naming rights for bus stops, bus stop poles, bus screens and tickets. The transaction price is allocated to each performance obligation based on the commercial team's pricing strategy for each individual service item. Revenue for the services is recognised over time, in the accounting period, in which the relevant performance obligation is satisfied, based on the allocated transaction price. The payment is due within 30 to 60 days from the date of invoice. Amounts received in advance before the completion of performance obligation are recognised as contract liabilities.

(vii) Postal related services

The postal services division of the Group provides mail delivery, post box and document collection services. These services are generally provided as per the fixed list price for each relevant service. Performance obligations relating to post box rentals and collection and delivery of bags are satisfied over time and the payment is due within 30 days from the date of invoice. Discounts and rebates are generally not considered as part of the transaction price as they are only given in rare circumstances as bulk volume discounts on monthly basis and are recognised in the invoices when incurred.

Performance obligations relating to stamps, prepaid postage, terminal dues, express mail service, parcels, sale and collection of forms, and collection of delivery fee are satisfied at a point of time when the mail is dispatched to the customer and the revenue is also recognized at the time of service. The payment for these services is generally collected in cash up front, however, in the case of certain corporate customers the invoices are raised on a monthly basis and the payment becomes due within 30 days from the date of invoice, except for settlement of terminal dues where the payments are settled as per the universal postal service guidance which allows a settlement period beyond one year. As this arrangement is according to international practice, this transaction is not considered to have any financing component. Discounts and rebates are generally not considered as part of transaction price they are only given in rare circumstances as bulk volume discounts on a monthly basis and are recognised in the invoices when incurred.

Amounts received in advance before the completion of performance obligation are recognised as contract liabilities.

3 Summary of material accounting policies (continued)

3.21 Revenue recognition (continued)

3.21.1 Contracts with customers (continued)

(viii) Express services

The Express services division's revenue is derived by providing various services to its customers. Revenue for all major services provided to customers is recognised as below:

- Revenue from E-commerce is recognised at the point when the contracted services are provided to the customers;
- Revenue from last mile delivery and cash on delivery (COD) is recognised when such services are rendered;
- Revenue from Fulfillment is recognised over the period for which space are rented at contracted rates;
- Revenue from handling of express items and other related services is recognised when such services are rendered.

(ix) Freight forwarding and Warehousing services

The division's revenue is generated by offering a range of services, including freight forwarding via air, sea, and land shipments, as well as customs clearance and storage services for food and beverages.

The following table provides information about the nature of services related revenue recognition policies:

- Storage services – Revenue from storage service is recognised over the time as the performance obligations are satisfied i.e., the time for which the customer occupy the storage facility and avail the services.
- Freight forwarding services – Revenue is recorded at a point in time

3.22 Interest bearing borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as expenses in the period in which they are incurred.

3.24 Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), financial liabilities, derivatives and for non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

Financial assets at FVOCI represent investment in unquoted securities. At the reporting date, the Group did not hold any financial asset at FVPL.

Financial liabilities consist of trade and other payables, interest bearing loans and borrowings, bank overdrafts and vessel deposits. Derivatives consist of interest rate swap agreements.

3 Summary of material accounting policies (continued)

3.24 Determination of fair values (continued)

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The fair values of the financial assets at FVOCI, liabilities and derivatives are not materially different from their carrying values.

(a) Investments

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date (Level 1).

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows (Level 2). The fair value for certain unquoted investments are classified as level 3 in the fair value hierarchy note 14 due to the use of unobservable inputs, including own credit risk. (Level 3).

(b) Other interest-bearing items

The fair value of interest-bearing items is estimated based on discounted cash flows using market interest rates for items with similar terms and risk characteristics (Level 2).

(c) Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments (Level 2).

(d) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).

3.25 Value added taxes

The Company recognises Value Added Tax in line with the rules and regulations set out in the VAT law set out by the Tax Authority of the Sultanate of Oman. The law requires all sales, supplies, services and consumptions within Oman eligible to 5% VAT. The sales, supplies, services, and consumptions outside Oman are subject to zero percent VAT. Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

3 Summary of material accounting policies (continued)

3.26 Common control transactions

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have any substance, the Group adopts the pooling of interests method. Under the pooling of interests method, the carrying value of assets and liabilities in the books of the transferor (as adjusted to comply with Group accounting policies), are used to account for these transactions. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor. No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the net assets acquired is reflected as 'merger reserve' within equity.

4 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

4.1 Financial risk factors

(a) Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

The Group's functional currency is OMR. Most of transactions are in OMR, however the Group does have financial instruments in foreign currencies, therefore is exposed to currency risk, which is not hedged as detailed below.

Financial assets at amortised cost	**Currency**	**2024 RO**	2023 RO	**Comment**
Loans receivable	Japanese Yen	-	1,993,637	If foreign currency were to shift by +/- 0.5% there will be a maximum change in the profit and equity for the year is nil. (2023 - RO 9,968).

(ii) Interest rate risk

Risk management strategy

The Group has obtained credit facilities from various international and local banks. Certain credit facilities bear interest at USD SOFR plus applicable margins. To manage this, the Group entered into interest rate swaps, in which the Group agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the year, the economic relationship was 100% effective. The Group applies hedge accounting to remove the accounting mismatch between the hedging instrument and the hedged item since all critical terms matched during the year and the economic relationship was 100% effective. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

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4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Risk management strategy (continued)

Hedge ineffectiveness for interest rate swaps may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases.

There was no ineffectiveness during 2024 or 2023 in relation to the interest rate swaps.

The Group's bank deposits carry fixed rates of interest and therefore, are not exposed to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates.

At 31 December 2024 and 2023, after taking into account, the effect of interest rate swaps, 69.63% (2023 - 59.93%) of the Groups' total borrowings are at a fixed rate of interest. For the borrowings that are not hedged, if the interest rates on borrowings were to shift by +/- 0.5% there would be a maximum change in the profit and equity for the year by RO 856,013 (2023 - RO 1,193,976).

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

Interest rate swaps	**2024** **RO**	2023 RO
Carrying amount of liability hedged (note 22)	**57,280,813**	112,546,454
Notional amount (note 22)	**57,280,813**	112,546,454
Maturity period	**5 - 10 years**	5 - 10 years
Hedge ratio (holding all other variables constant)	**100%**	100%
Change in fair value of outstanding hedging instruments since 1 January	**(2,614,274)**	(7,731,407)
Change in value of hedged item used to determine hedge effectiveness	**2,614,274**	7,731,407
Weighted average hedged rate for the year	**2.45%**	2.45%

(b) Price risk

As at 31 December 2024, the Group is not materially exposed to price risk as the financial assets at fair value through other comprehensive income (FVOCI) represents an unquoted investment of immaterial value.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from Group's receivables, contract assets, and financial assets at amortised cost.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and contract assets.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

The Group seeks to limit its credit risk with respect to its finance lease receivables, trade receivables and contract assets by monitoring outstanding receivable balances. The Group has a policy to deal only with credit worthy counter parties. If the customer independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experiences, and other factors.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its credit risk with regard to bank deposits by only dealing with banks with high credit rating. The Group also assesses the credit quality of the companies to whom loans have been advanced taking into account their financial position, past experience and other factors.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group has significant concentrations of credit risk with financial assets at amortised cost, details of which are provided in the note below.

The Group evaluates the credit worthiness and business outlook of its customers and specifically those with significant finance lease receivable on periodic basis and makes appropriate provisions, where necessary.

Major classification of financial assets as at 31 December is as follows:

Credit risk	**2024 RO**	2023 RO	**Comments**
Trade receivables	**53,712,527**	34,326,637	The Group has strong counterparties with good reputations and strong financial performance.
Other financial assets at amortised cost	**34,781,787**	32,814,217	
Bank balances	**226,563,689**	268,482,574	The Group liquidity is strictly placed with financial institutions with strong credit ratings or classified as systematic important financial institutions supported by the Oman government.
Receivables under finance lease arrangements	**123,264,468**	131,053,407	Refer to note 13(a) for details.
Loans receivable	**371,199**	7,632,419	Refer to note 13(b) for details.
Total	**438,693,670**	474,309,254	

At 31 December, the ageing of trade receivables that were not impaired was as follows:

	2024 RO	2023 RO
0 - 120 days	**32,703,616**	22,394,672
121 - 180 days	**3,148,765**	4,954,163
181 - 240 days	**3,389,404**	3,063,550
241 - 300 days	**1,812,260**	1,649,733
301 - 360 days	**1,784,867**	1,355,082
361 and over	**10,873,615**	909,437
	53,712,527	34,326,637

With respect to exposures with banks, management considers the credit risk exposure to be minimal as the Group deals with reputed local banks. Management does not expect any losses from non-performance by these counterparties. The credit ratings for counter parties have been disclosed in notes 13(a) and 13(f).

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4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations, associated with its financial liabilities that are settled by delivering cash or other financial asset. The Group limits its liquidity risk by ensuring bank facilities are available on a continuous basis. The Group's terms of services either require amounts to be paid in advance or within 30 days of the date of sale. Trade payables are normally settled within thirty days of the date of purchase. The table below summarises the contractual maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates.

		Contractual cash flows			
	Carrying Amount RO	**Less than 1 year RO**	**1 to 5 years RO**	**More than 5 years RO**	**Total RO**
At 31 December 2024					
Non- derivative financial liabilities					
Trade and other payables*	75,428,760	75,428,760	-	-	75,428,760
Term loans	563,668,438	115,448,129	220,292,297	414,781,201	750,521,627
Lease liabilities	155,956,772	78,549,565	77,742,919	25,800,248	182,092,731
	795,053,970	269,426,454	298,035,216	440,581,449	1,008,043,119
At 31 December 2023					
Non- derivative financial liabilities					
Trade and other payables*	72,423,487	72,423,487	-	-	72,423,487
Term loans	595,314,701	133,080,311	291,967,363	349,446,362	774,494,036
Bank overdrafts	8,235,113	8,235,113	-	-	8,235,113
Lease liabilities	173,909,536	92,532,529	87,739,266	19,519,899	199,791,694
	849,882,837	306,271,440	379,706,629	368,966,261	1,054,944,330

* Trade and other payables balance exclude interest payable, advance subsidy received, advance from customers and contract liabilities (unearned income). The maturity profile of derivative financial instruments is given in note 22.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for members and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to members, return capital to members, issue new shares, or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt to total equity)

	2024 RO	2023 RO
Debt**	**719,625,210**	777,459,350
Total equity	**713,325,647**	679,288,742
Debt to equity ratio (times)	**1.009**	1.145

** Debt includes term loans, loans from commercial banks, lease liabilities, bank overdrafts and excludes the deferred finance cost.

5 Critical accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the financial statements:

5 Critical accounting estimates and judgements (continued)

5.1 Judgements

(a) Determination of cash generating unit

Management has assessed the entire fleet of a specific category of vessel as a single CGU. Among other things, the judgement effects on which basis an impairment test is performed. The CGUs are considered to be the VLCC fleet and the Dry bulk fleet. When determining that the fleet of vessel forms one single CGU, Management has considered the degree of interdependency between the vessels operating in the fleet in respect of commercial decisions, operating synergies and financial efficiencies. Management has concluded that the interdependency is of such extent that the cash inflows are not largely independent from each other and that, consequently, the entire fleet forms one CGU. When determining that the CGU is not at a lower level than the vessel fleet, Management has attached importance to the fact that fleet is managed as a portfolio, where revenue is shared on a pool basis and the vessels in the fleet as well as the cashflows are largely interchangeable.

5.2 Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 13(e).

At the reporting date, gross trade receivables, contract assets, loans receivables and receivables under finance lease arrangements were RO 68.687 million, RO 11.530 million, RO 0.371 million and RO 123.430 million respectively (2023 – RO 47.290 million, RO 11.645 million, RO 7.657 million and RO 131.230 million respectively) and the loss allowance was RO 14.975 million, RO 0.113 million, RO nil and RO 0.166 million respectively (2023 - RO 12.963 million, RO 0.092 million, RO 0.025 million and RO 0.177 million respectively). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

At 31 December 2024, loss allowance on other financial assets was not considered material and accordingly was not recognised in these consolidated financial statements.

(b) Provisions

An onerous contract or unfavorable lease is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group evaluates its contracts for possible losses at each reporting date and makes provision, as necessary. This evaluation involves significant judgments with respect to the rates used, expected utilisation and other related factors. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(c) Favourable lease terms and contractual rights

The Group recognises favorable lease terms where the terms are favourable compared to observable market data and/or future economic benefits of the lease at the acquisition date. Intangible assets arising from contractual or legal rights are measured at the present value of net economic benefits over the term of the contract. The Group evaluates its contracts for possible losses at each reporting date and makes provision, as necessary. This evaluation involves significant judgments with respect to the rates used, expected utilisation and other related factors.

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(d) Impairment of investments in joint ventures

The impairment of costs in the respective joint ventures is based on significant estimates and assumptions including the estimation of per day charter revenue rates, growth rates, discount rates, inflation rates and residual values. The impairment provision recognised in respective joint ventures has been accounted for in the Group's consolidated financial statements through the share of loss from the joint venture entities.

Based on the information available, including an evaluation of the assumptions as above, management concluded that no further impairment provision is required in respect of these investments in the Group's consolidated financial statements as the joint ventures are profitable. The Group's share of losses would increase or decrease if there are changes to these estimates. Similarly, adjustments may be necessary to the carrying value of investments if there are significant changes in the above estimates.

At the reporting date, gross investments in joint ventures were RO 118.604 million (2023 - RO 96.340 million) and the provision for impairment was RO 3.450 million (2023 - RO 3.450 million).

(e) Impairment of non-current assets

(i) Vessels

The Group determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating unit ('the CGU'), which constitutes the carrying value of the fleet of vessels (including vessel components) as at 31 December 2024. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As a consequence of ongoing volatility in freight rates during 2024 and the losses in the bulk fleet CGU, the carrying value of the Group's Bulk fleet CGU have been assessed for impairment.

The Group uses freight rate estimates based on 10 years historical average rates.

The carrying value of the Bulk fleet CGU as at 31 December 2024 was RO 45.75 million.

The assessment of the value in use of the Bulk fleet CGU was based on the net present value of the expected future cash flows. The freight rate estimates are based on 10 years historical average rates and are consistent with the Group's business plans. The Group believes that the approach used for long-term rates appropriately reflects the cyclical nature of the shipping industry and is the most reliable estimate for the periods considered in the assessment.

The Operating expenses and administrative expenses are adjusted for 2.6% per annum. The discount rate used in the value in use calculation is based on a Weighted Average Cost of Capital (WACC) of 11.6% as of 31 December 2024 (2023: 12.2%). WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

As of 31 December 2024, the 10-year historical average spot freight rates used in the value in use calculation are as follows:

- Bulk fleet: USD/day 15,195 (consisting of 7 Bulk's with DWT around 63,000)

The vessels are expected to generate normal income for the entire duration of their useful life from the date of delivery from the shipyard taking into consideration the dry dock time. Given the current age profile of the underlying vessels, the average remaining life would be 16 years to 20 years for the Bulk fleet. The Group has used forecasted cashflows for the average remaining life for the Bulk fleet. The calculation of the value in use is sensitive to changes in the key assumptions which are related to the future development in freight rates, the WACC applied as discounting factor in the calculations.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

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5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(e) Impairment of non-current assets (continued)

(i) Vessels (continued)

- An increase/decrease in the freight rates of USD 1,000 per day would result in an increase/decrease in the value in use of RO 8.96 million in the Bulk fleet;
- An increase in WACC of 1% would result in a decrease in the value in use of RO 3.67 million. A decrease in WACC of 1% would result in an increase in the value in use of RO 4.10 million.
- An increase in inflation of 1 % would result in an increase in the value in use of RO 3.88 million. A decrease in inflation of 1% would result in a decrease in the value in use of RO 4.36 million.

As outlined above, the impairment test has been prepared on the basis that the Group will continue to operate its vessels as a fleet in the current set-up.

The management has considered the Clarkson's shipping reports for ascertaining fair values of the bulk fleet CGU that was adjusted for the age of the vessels. The recoverable value comes out to be RO 85.92 million after adjusting cost to sell. The value in use for bulk fleet CGU is RO 58.17 million accordingly the recoverable value is higher than the carrying value of bulk fleet CGU, hence no impairment is charged in the current period.

Impairment of right-of-use vessels:

During the period ended 31 December 2023, due to ongoing volatility in freight rates in container segment, the carrying value of the Group's leased container vessels CGUs have been assessed for impairment. These leases were taken out when demand for capacity relative to supply was at a peak and since the supply gap has reduced significant rates drops have meant these particular vessels were no longer as economical when the leases were agreed. As of 31 December 2023, management performed an impairment test of the recoverable amount of Group's leased container vessels and the carrying value of the 4 CGUs exceeded the recoverable amount for four of the Groups leased container vessels by RO 22.33 million resulting in impairment. During the current period ended 31 December 2024, there is no indicator for impairment as disclosed above.

(ii) Buildings

SFZ headquarter building is classified as both investment property and property, vessels and equipment. During the year, the Group engaged an independent professionally qualified valuer. The valuer has used investment market value approach. The valuer has made assumptions with respect to tenure, town planning, the conditions and repair of the subject building, including environmental and ground conditions. As at December 31, 2024, the fair value of the building as determined by the valuer was higher as compared to its net book value.

Useful lives of property, vessel and equipment

The useful lives, residual values and methods of depreciation of property, vessel and equipment are reviewed, and adjusted if appropriate, at each financial year end. In the review process, the Group takes guidance from recent acquisitions, as well as market and industry trends. In accordance with its policy, the Group reviews the estimated useful lives and residual values of its property, vessel and equipment on an ongoing basis. The impact on subsequent accounting periods of extending the useful lives of these assets will depend on acquisition of new of assets within the categories concerned. Accordingly, no specific forecasts can be made in respect of future periods. For the year ended 31 December 2024, no change in estimated useful lives and residual values of property, vessel and equipment was considered necessary.

(f) Advertisement contracts

Some fixed-price advertisement contracts include provision for multiple services. Because these contracts include multiple performance obligations, the transaction price must be allocated to the performance obligations on a relative stand-alone selling price basis. Management estimates the stand-alone selling price at contract inception based on observable prices of the type of services likely to be rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to all the performance obligations based on their relative stand-alone selling prices.

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6 Investment in subsidiaries, joint ventures and associates

(a) List of subsidiaries, joint ventures and associates

In 2016 the Government, through the MOF, transferred a number of companies to the Group as detailed below. The transfers enabled the Group to act as the Government's Sector Company for the logistics sector pursuant to a decision issued by the Financial & Energy Resources Council at its meeting No. 3/2015 dated the 20th of May 2015 (refer to note 1).

As at 31 December 2024 and 2023 the Company held the subsidiaries, joint ventures and associates detailed below. In each case the percentage shareholding equals the percentage of voting interests.

Company name		**Country of incorporation**	**% Holding 2024**	% Holding 2023
Subsidiaries				
Asyad Shipping Company SAOC ("ASC")		Sultanate of Oman	100%	100%
Oman Post Company SAOC ("OPC")		Sultanate of Oman	-	100%
Oman National Transport Company SAOC ("ONTC")		Sultanate of Oman	100%	100%
National Ferries Company LLC ("NFC")		Sultanate of Oman	100%	100%
Oman Logistics Company LLC ("OLC")		Sultanate of Oman	100%	100%
Asyad Drydock Company LLC ("ADC")		Sultanate of Oman	100%	100%
Salalah Free Zone Company LLC ("SFZ")		Sultanate of Oman	100%	100%
Oman Rail Company LLC ("ORC")		Sultanate of Oman	100%	100%
Asyad Ports LLC ("AP") (Previously Asyad Ports and Terminal LLC ("APT"))	(i)	Sultanate of Oman	100%	100%
Asyad Logistics LLC ("AL") (Previously Asyad Investment and Business Company LLC ("AIBC"))		Sultanate of Oman	100%	100%
Oman Road and Transport Management Company LLC (under liquidation) ("ORTMC")	(ii)	Sultanate of Oman	100%	100%

(i) As part of Group restructuring, during the period 100% shares of OPC were transferred from the Company to AL with book value of investment as payable.

(ii) Formal liquidation of ORTMC was commenced where the liquidation notification was published in the official gazette on 20 February 2023.

Company name	**Country of incorporation**	**% Holding 2024**	% Holding 2023
Joint ventures and associates			
Port of Duqm Company SAOC ("PDC")	Sultanate of Oman	50%	50%
Sohar Industrial Port Company SAOC ("SIPC")	Sultanate of Oman	50%	50%
Sohar International Development Company LLC ("SIDC")	Sultanate of Oman	50%	50%
Duqm Industrial Land Company LLC ("DILC")	Sultanate of Oman	25%	25%
Duqm Logistic Lands and Investment Company LLC ("DLLIC")	Sultanate of Oman	40%	40%
Salalah Port Services Company SAOG ("SPS")	Sultanate of Oman	20%	20%

IFRS 10 requires the Company to identify a control framework to identify associates, joint ventures and subsidiaries. As a result, the Company is accounting for the transferred entities as follows:

(a) PDC, SIPC and SIDC (ownership - 50%) are considered to be joint ventures as these are jointly controlled through a Memorandum of Understanding which includes deadlock provisions which means neither party has control.

(b) DILC, DLLIC and SPS are treated as associates as ownership is greater than 20% but the Company does not have control of the respective entities.

All other companies are accounted for as subsidiaries of the Company, because the Group controls these entities as it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to effect returns through its power over the entities.

(b) Revenues and profits of the subsidiaries

The subsidiaries contributed the following revenue and profit/(loss) to the Group results, after incorporating consolidation entries:

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6 Investment in subsidiaries, joint ventures and associates (continued)

(b) Revenues and profits of the subsidiaries (continued)

Company	Revenue 2024 RO	Profit/(loss) 2024 RO	Revenue 2023 RO	Profit/(loss) 2023 RO
ASC	**366,006,047**	**47,057,711**	363,491,550	35,466,896
ADC	**57,661,437**	**3,844,286**	63,370,184	8,131,381
AL	**45,248,227**	**(2,255,259)**	6,995,008	(107,373)
SFZ	**6,146,371**	**(3,356,192)**	7,261,432	(1,440,642)
ONTC	**8,062,689**	**1,089,181**	6,671,262	1,274,225
OPC	**-**	**-**	4,891,367	30,171
ORC	**1,252,247**	**(66,079)**	3,906,332	1,529,358
NFC	**1,231,141**	**40,025**	1,132,516	261,470
ASCS	**-**	**-**	-	(615,186)
OLC	**380,359**	**281,226**	324,399	168,857
AP	**6,966,330**	**(1,405,229)**	6,678,640	912,700
Total	**492,954,848**	**45,229,670**	464,722,690	45,611,857

Reconciliation to Group's reported net profit (profit for the year):

	2024 RO	2023 RO
Profit of the subsidiaries	**45,229,670**	45,611,857
Profit for the year	**52,868,892**	46,859,342
Difference	**(7,639,222)**	(1,247,485)
Adjustments for:		
Asyad Corporate profit/(loss)	**22,130,619**	39,600,899
Share of results of equity accounted investments	**11,357,826**	9,687,786
Dividend from Group companies	**(25,849,223)**	(48,041,200)
	7,639,222	1,247,485
Difference	**-**	-

7 Non-controlling interests

As of 31 December 2024 and 31 December 2023, there was no direct non-controlling interests for the Group.

The NCI disclosed in the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income includes non-controlling interests within subsidiaries of ASC, AP and AL.

2024	**Carrying amount of NCI RO**	**Profit/(loss) attributable to NCI RO**
NCI in ASC's subsidiaries	**13,483,934**	**4,495,116**
NCI in AP's subsidiaries	**(539,128)**	**(451,600)**
NCI in AL's subsidiaries	**5,337,171**	**91,161**
Total	**18,281,977**	**4,134,677**

2023	Carrying amount of NCI RO	Profit/(loss) attributable to NCI RO
NCI in ASC's subsidiaries	12,902,242	3,706,548
NCI in AP's subsidiaries	(237,528)	(392,201)
Total	12,664,714	3,314,347

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8 Property, vessels and equipment

	Capital-work-in progress (8.2) RO	Vessels (8.1) RO	Buildings RO	Motor vehicles RO	Infrastructure development (8.3) RO	Machinery & others RO	Right of use assets (8.3) RO	Total RO
Cost								
At 1 January 2023	10,123,889	2,518,241,701	52,166,915	14,154,734	29,438,036	35,814,610	157,219,590	2,817,159,475
Additions during the year	51,745,165	22,636,383	-	329,522	20,750	4,971,194	142,248,089	221,951,103
Transfers	(7,802,337)	7,718,212	-	-	78,265	5,860	-	-
Disposals	-	(132,907,283)	(1,100,691)	(650,744)	-	(2,066,340)	(148,035)	(136,873,093)
At 31 December 2023	54,066,717	2,415,689,013	51,066,224	13,833,512	29,537,051	38,725,324	299,319,644	2,902,237,485
At 1 January 2024	**54,066,717**	**2,415,689,013**	**51,066,224**	**13,833,512**	**29,537,051**	**38,725,324**	**299,319,644**	**2,902,237,485**
Acquisitions during the year	**941,170**	**-**	**-**	**454,604**	**-**	**986,337**	**560,488**	**2,942,599**
Additions during the year	**33,442,973**	**8,717,329**	**67,609**	**637,709**	**143,960**	**7,225,905**	**77,466,624**	**127,702,109**
Transfers	**(8,624,749)**	**859,398**	**(307,894)**	**-**	**-**	**7,813,807**	**-**	**(259,438)**
Disposals	**-**	**(20,431)**	**-**	**(1,650,954)**	**(700)**	**(1,465)**	**(514,841)**	**(2,188,391)**
At 31 December 2024	**79,826,111**	**2,425,245,309**	**50,825,939**	**13,274,871**	**29,680,311**	**54,749,908**	**376,831,915**	**3,030,434,364**
Accumulated depreciation								
1 January 2023	1,275,100	1,850,281,909	12,188,052	12,923,885	20,975,103	17,015,878	57,193,260	1,971,853,187
Charge for the year	-	53,293,749	486,447	338,395	372,445	4,110,402	72,886,685	131,488,123
Disposals	-	(77,090,371)	-	(595,003)	-	(1,849,380)	(148,035)	(79,682,789)
Impairment	-	-	-	-	-	-	22,325,594	22,325,594
31 December 2023	1,275,100	1,826,485,287	12,674,499	12,667,277	21,347,548	19,276,900	152,257,504	2,045,984,115
1 January 2024	**1,275,100**	**1,826,485,287**	**12,674,499**	**12,667,277**	**21,347,548**	**19,276,900**	**152,257,504**	**2,045,984,115**
Acquisition during the year	**-**	**-**	**-**	**287,824**	**-**	**872,419**	**150,432**	**1,310,675**
Charge for the year	**-**	**50,082,471**	**1,940,079**	**470,280**	**584,329**	**4,497,362**	**82,983,177**	**140,557,698**
Disposals	**-**	**(12,760)**	**-**	**(1,557,737)**	**(155)**	**(1,972)**	**(514,841)**	**(2,087,465)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2024	**1,275,100**	**1,876,554,998**	**14,614,578**	**11,867,644**	**21,931,722**	**24,644,709**	**234,876,272**	**2,185,765,023**
Net carrying amount								
At 31 December 2024	**78,551,011**	**548,690,311**	**36,211,361**	**1,407,227**	**7,748,589**	**30,105,199**	**141,955,643**	**844,669,341**
At 31 December 2023	52,791,617	589,203,726	38,391,725	1,166,235	8,189,503	19,448,424	147,062,140	856,253,370

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8 Property, vessels and equipment (continued)

8.1 Certain of the Group's vessels are secured against loan arrangements. Details regarding the Group's obligations under its loan arrangements and its future commitments are set out in note 19.

8.2 Capital work in progress includes the construction of two LNG and four VLCC vessels and costs incurred upto 31 December 2024 aggregated to RO 66.96 million (2023: RO 37.6 million). Included in this amount are capitalised borrowing costs related to the construction of the two LNG vessels of RO 2.5 million (2023: RO 0.96 million), calculated using a capitalisation rate of 5.8 percent (2023: 4.37 percent).

8.3 Infrastructure development largely relates to SFZ.

8.4 The Group has entered into long-term charter contracts for leasing vessels, which it further engages in operations for generating revenue. It has also leased land and building for administrative purposes. The vessel lease contracts are typically entered into for a period of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at date of measurement which were between 3.7% and 8.4% (2023: 2.75% to 7.5%) at the date of initial adoption. The Group is not exposed to any future cash-flows from variable lease terms or residual value guarantees that are not reflected in the measurement of lease liabilities. There are no extension or early termination options with respect to lease liabilities.

8.5 The statements of financial position and profit or loss shows the following amounts relating to lease of right of use assets:

	Land RO	Properties RO	Vessels RO	Vehicles RO	Total RO
Cost					
At 1 January 2023	2,105,840	10,301,810	144,538,430	273,510	157,219,590
Additions during the year	1,174,411	784,555	140,289,123	-	142,248,089
Disposals	-	-	-	(148,035)	(148,035)
At 31 December 2023	3,280,251	11,086,365	284,827,553	125,475	299,319,644
At 1 January 2024	**3,280,251**	**11,086,365**	**284,827,553**	**125,475**	**299,319,644**
Acquisition during the year	**560,488**	**-**	**-**	**-**	**560,488**
Additions during the year	**7,244,457**	**727,945**	**68,831,608**	**662,614**	**77,466,624**
Disposals	**-**	**(514,841)**	**-**	**-**	**(514,841)**
Adjustment during the year	**-**	**-**	**(100,113)**	**100,113**	**-**
At 31 December 2024	**11,085,196**	**11,299,469**	**353,559,048**	**888,202**	**376,831,915**
Accumulated depreciation					
At 1 January 2023	220,732	3,389,376	53,389,925	193,227	57,193,260
Charge for the year	9,005	93,892	72,783,788	-	72,886,685
Disposals	-	-	-	(148,035)	(148,035)
Impairment	-	-	22,325,594	-	22,325,594
At 31 December 2023	229,737	3,483,268	148,499,307	45,192	152,257,504
At 1 January 2024	**229,737**	**3,483,268**	**148,499,307**	**45,192**	**152,257,504**
Acquisition during the year	**150,432**	**-**	**-**	**-**	**150,432**
Charge for the year	**521,369**	**770,876**	**81,547,062**	**143,870**	**82,983,177**
Disposals	**-**	**(514,841)**	**-**	**-**	**(514,841)**
Adjustment during the year	**-**	**-**	**(97,990)**	**97,990**	**-**
At 31 December 2024	**901,538**	**3,739,303**	**229,948,379**	**287,052**	**234,876,272**
Net carrying amount at 31 December 2024	**10,183,658**	**7,560,166**	**123,610,669**	**601,150**	**141,955,643**
31 December 2023	3,050,514	7,603,097	136,328,246	80,283	147,062,140

The Group leases various offices, lands, vessels, ferries, warehouses and vehicles. Rental contracts are typically made for fixed periods of 3 to 50 years but may have extension options as described in note 3.4(b). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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9 Investment property

The investment property comprises of the following:

	Land RO	Building RO	Warehouse RO	Furniture and equipment RO	Total RO
Cost					
At 1 January 2024	**13,318,961**	**7,509,838**	**10,806,145**	**1,050,003**	**32,684,947**
Addition during the year	**-**	**-**	**53,014**	**-**	**53,014**
31 December 2024	**13,318,961**	**7,509,838**	**10,859,159**	**1,050,003**	**32,737,961**
Accumulated depreciation					
At 1 January and 31 December 2023	13,318,961	7,509,838	10,806,145	1,050,003	32,684,947
1 January 2024	**-**	**3,975,816**	**2,260,528**	**888,530**	**7,124,874**
Charge for the year	**-**	**304,346**	**541,298**	**161,473**	**1,007,117**
31 December 2024	**-**	**4,280,162**	**2,801,826**	**1,050,003**	**8,131,991**
Net carrying amount					
At 31 December 2024	**13,318,961**	**3,229,676**	**8,057,333**	**-**	**24,605,970**
At 31 December 2023	13,318,961	3,534,022	8,545,617	161,473	25,560,073

Land represents commercial properties for which a number of the Group entities have been granted usufruct agreements. Where the entity has the right to issue sub-usufruct agreements the land has been valued by an independent property evaluation expert and included in investment property. The Group holds eleven such properties totaling approximately 60,000 square meters. The fair value of the parcels of land is RO 13,318,961 (2023 - RO 13,318,961) which is based on discounted long-term lease rental rates. The Parent Company is currently developing a strategy to market these properties.

The Group is the beneficiary of usufruct agreements relating to a number of other plots in addition of land. At this stage the Parent Company is determining the best use of these plots including using them for operational purposes. As a result, they have not been included in investment property. Certain of the Group's investment properties were valued at 31 December 2024 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The fair value of other investment properties was determined internally by management. Based on such valuations, the fair value of the investment property as at 31 December 2024 was RO 13,701,713 (2023 - 13,701,713).

10 Intangible assets and goodwill

The Company has recognised a number of intangible assets upon share transfer of a number of group companies. Favorable lease terms recognised during the transfer relate to the long-term charter of LNG ships and VLOCs of ASC. Contractual rights relate to technical management and chartering contracts of OSMC and OCC.

During 2024, the Group acquired a 70% stake in Skybridge Holding Company Limited, a freight forwarding company based in the United Arab Emirates, through Asyad Logistic Company, resulting in the recognition of goodwill of RO 15,918,595 and Trademark of RO 423,500.

	Goodwill RO	Trademark RO	Favourable lease terms RO	Contractual rights RO	ERP RO	Total RO
Cost						
At 1 January 2023	3,034,630	-	42,288,726	18,133,080	863,450	64,319,886
Additions during the year	-	-	-	-	600,869	600,869
Transfer	-	-	-	-	(35,490)	(35,490)
At 31 December 2023	**3,034,630**	-	**42,288,726**	**18,133,080**	**1,428,829**	**64,885,265**
Additions during the year	**15,918,595**	**423,500**	**-**	**-**	**571,358**	**16,913,453**
Transfer	-	-	-	-	-	-
At 31 December 2024	**18,953,225**	**423,500**	**42,288,726**	**18,133,080**	**2,000,187**	**81,798,718**

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10 Intangible assets and goodwill (continued)

Reconciliation of carrying amount (continued)

	Goodwill and Intangible RO	Trademark RO	Favourable lease terms RO	Contractual rights RO	ERP RO	Total RO
Accumulated amortisation						
At 1 January 2023	2,419,444	-	32,513,555	9,486,845	702,261	45,122,105
Charge for the year	-	-	3,456,896	1,441,040	(12,393)	4,885,543
At 31 December 2023	**2,419,444**	-	**35,970,451**	**10,927,885**	**689,868**	**50,007,648**
Charge for the year	**615,186**	-	**1,470,446**	**1,441,039**	**80,584**	**3,607,255**
Impairment loss	-	-	-	-	**35,490**	**35,490**
At 31 December 2024	**3,034,630**	-	**37,440,897**	**12,368,924**	**805,942**	**53,650,393**
Net carrying amount						
At 31 December 2024	15,918,595	423,500	4,847,829	5,764,156	1,194,245	28,148,325
At 31 December 2023	615,186	-	6,318,275	7,205,195	738,961	14,877,617

Amortisation

The above amortisation is charged to the consolidated statement of profit or loss and is allocated to depreciation and amortisation.

Impairment testing

The goodwill comprises:

- the value customer lists, that are not separately recognized, and
- implicit Government support resulting lower cost of borrowing. Due to the terms imposed for such support, the Government support is not separable. Therefore, it does not meet the criteria for recognition as separate intangible asset under IAS 38.

For the purposes of impairment testing goodwill has been allocated to the Parent Company of the ASC group. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and estimated growth rates.

The calculation of value in use is most sensitive to the following assumptions:

- Margins and return on assets
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period.

11 Investments accounted for using equity method

The following table illustrates the movement of the Company's investment in joint ventures (JVs) and associates:

	2024 RO	2023 RO
At 1 January	**94,069,408**	90,772,822
Investment in direct associate	**-**	-
Share of results	**11,264,532**	9,687,786
Dividends	**(5,849,221)**	(6,391,200)
At 31 December	**99,484,719**	94,069,408

The following table illustrates the movement of the Group investment in JVs and associates including indirect JVs and associates:

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11 Investments accounted for using equity method (continued)

	2024 RO	2023 RO
At 1 January	**123,065,608**	114,001,504
Share of results	**11,735,520**	10,683,758
Investment in direct associate	**30,000**	6,739,825
Investment in indirect joint ventures	**15,524,311**	-
Other comprehensive income of indirect investments	**-**	-
Adjustment during the year	**(58)**	341,721
Dividends	**(6,003,221)**	(8,701,200)
At 31 December	**144,352,160**	123,065,608

In addition, the JVs and associates include following for the year ended 31 December 2024:

	2024 RO	2023 RO
Share of results		
Company’s investments	**11,264,532**	9,687,786
ASC’s investments	**835,160**	997,611
ADC’s investments	**-**	-
APC’s investments	**(364,172)**	(1,639)
Total	**11,735,520**	10,683,758

	2024 RO	2023 RO
Carrying value		
Company’s investments	**99,484,719**	94,069,408
ASC’s investments	**22,419,915**	21,738,812
AL’s investments	**-**	-
ORC’s investment	**22,264,136**	6,739,825
AP’s investment	**183,390**	517,563
Total	**144,352,160**	123,065,608

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11 Investments accounted for using equity method (continued)

Summarised financial information

The following table illustrates summarised information of the Company's investment in JVs and associates:

(All amount in 'RO')

31 December 2023	Group's share of the JVs			Group's share of associates			
	PDC 2023	SIPC 2023	SIDC 2023	SPS 2023	DLLIC 2023	DILC 2023	Total 2023
Current assets	9,338,782	12,898,500	11,627,000	7,323,778	236,910	460,852	41,885,822
Non-current assets	8,110,833	19,505,500	36,583,000	17,389,280	3,015,386	744,374	85,348,373
Current liabilities	(7,787,765)	(14,185,451)	(5,289,982)	(5,662,452)	(11,055)	(49,005)	(32,985,710)
Non-current liabilities	(1,278,489)	(10,713,000)	(7,634,500)	(3,142,520)	(1,052,869)	-	(23,821,378)
Book value of investment	8,383,361	7,505,549	35,285,518	15,908,086	2,188,372	1,156,221	70,427,107
Fair value adjustment	222,507	(187,438)	11,843,033	12,151,723	-	(387,524)	23,642,301
Carrying amount of investment	8,605,868	7,318,111	47,128,551	28,059,809	2,188,372	768,697	94,069,408
Share of revenue and profit:							
Revenue [1]	6,714,612	15,233,500	11,696,000	13,770,462	182,798	235,690	47,833,062
Profit [1]	2,593,293	540,000	5,672,000	563,043	298,602	20,848	9,687,786

31 December 2024	**Group's share of the JVs**			**Group's share of associates**			
	PDC 2024	**SIPC 2024**	**SIDC 2024**	**SPS 2024**	**DLLIC 2024**	**DILC 2024**	**Total 2024**
Current assets	**14,157,851**	**14,513,916**	**15,949,905**	**6,241,403**	**318,674**	**437,606**	**51,619,355**
Non-current assets	**6,190,732**	**19,893,468**	**36,605,104**	**21,660,261**	**3,098,690**	**734,665**	**88,182,920**
Current liabilities	**(6,472,386)**	**(10,585,139)**	**(11,933,199)**	**(5,875,016)**	**(77,540)**	**(25,611)**	**(34,968,891)**
Non-current liabilities	**(1,304,954)**	**(16,056,696)**	**(4,361,031)**	**(6,033,287)**	**(1,235,000)**	**-**	**(28,990,968)**
Book value of investment	**12,571,243**	**7,765,549**	**36,260,779**	**15,993,361**	**2,104,824**	**1,146,660**	**75,842,416**
Fair value adjustment	**222,507**	**(187,438)**	**11,843,033**	**12,151,723**	**-**	**(387,524)**	**23,642,301**
Carrying amount of investment	**12,793,750**	**7,578,111**	**48,103,812**	**28,145,084**	**2,104,824**	**759,136**	**99,484,717**
Share of revenue and profit:							
Revenue [1]	**7,890,613**	**15,984,640**	**13,180,219**	**14,039,790**	**178,231**	**187,343**	**51,460,836**
Profit [1]	**4,187,882**	**540,000**	**5,975,261**	**446,475**	**26,452**	**88,462**	**11,264,532**

[1] For the year ended 31 December 2024 and 2023, estimated by the JVs and associates.

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11 Investments accounted for using equity method (continued)

The following table illustrates summarised information of the JVs and associates as included in their own financial statements:

(All amount in 'RO')

	JVs			Associates			
	PDC 2023	SIPC 2023	SIDC 2023	SPS 2023	DLLIC 2023	DILC 2023	Total 2023
31 December 2023							
Current assets	18,677,564	25,797,000	23,254,000	36,473,000	592,276	1,881,030	106,674,870
Non-current assets	16,221,666	39,011,000	73,166,000	86,600,000	7,538,466	3,038,261	225,575,393
Current liabilities	(15,575,531)	(28,370,903)	(10,579,964)	(30,518,585)	(28,396)	(214,042)	(85,287,421)
Non-current liabilities	(2,556,978)	(21,426,000)	(15,269,000)	(15,650,000)	(2,632,173)	-	(57,534,151)
Net assets	16,766,721	15,011,097	70,571,036	76,904,415	5,470,173	4,705,249	189,428,691
Share of revenue and profit:							
Revenue [1]	13,429,224	30,467,000	23,392,000	68,578,000	456,994	962,002	137,285,220
Profit [1]	5,186,586	1,080,000	11,344,000	2,804,000	746,505	85,095	21,246,186

	JVs			**Associates**			
	PDC 2024	**SIPC 2024**	**SIDC 2024**	**SPS 2024**	**DLLIC 2024**	**DILC 2024**	**Total 2024**
31 December 2024							
Current assets	**28,315,702**	**29,027,831**	**31,899,809**	**31,082,698**	**796,684**	**1,786,146**	**122,908,870**
Non-current assets	**12,381,463**	**39,786,936**	**73,210,207**	**107,869,862**	**7,746,724**	**2,998,633**	**243,993,825**
Current liabilities	**(12,944,772)**	**(21,170,278)**	**(23,866,397)**	**(29,258,056)**	**(193,850)**	**(104,534)**	**(87,537,887)**
Non-current liabilities	**(2,609,907)**	**(32,113,391)**	**(8,722,061)**	**(30,046,263)**	**(3,087,499)**	**-**	**(76,579,121)**
Net assets	**25,142,486**	**15,531,098**	**72,521,558**	**79,648,241**	**5,262,059**	**4,680,245**	**202,785,687**
Share of revenue and profit:							
Revenue [1]	**15,781,225**	**31,969,280**	**26,360,438**	**69,919,296**	**445,578**	**764,665**	**145,240,482**
Profit [1]	**8,375,763**	**1,080,000**	**11,950,522**	**2,223,482**	**66,129**	**361,069**	**24,056,965**

(1) For the year ended 31 December 2024 and 2023, estimated by the JVs and associates.

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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11 Investments in joint ventures and associates (continued)

Summarised financial information for joint ventures (continued)

Set out below is the summarised financial information of the indirect joint ventures which are accounted for using the equity method as at 31 December 2024.

Summarised statement of financial position:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	10,579,724	-	7,921,429	13,630,302	-	7,892,195	40,023,650
Current assets	7,109,958	4,487,824	2,131,304	4,073,146	12,265,200	950,733	31,018,165
Total assets	17,689,682	4,487,824	10,052,733	17,703,448	12,265,200	8,842,928	71,041,815
EQUITY AND LIABILITIES							
Total equity	11,000,568	2,618,696	8,924,958	6,175,572	12,262,505	8,737,746	49,720,045
LIABILITIES							
Non-current liability	-	-	-	-	-	-	-
Current liabilities	6,689,113	1,869,129	1,127,775	11,527,876	2,695	105,182	21,321,770
Total liabilities	6,689,113	1,869,129	1,127,775	11,527,876	2,695	105,182	21,321,770
Total equity and liabilities	17,689,681	4,487,825	10,052,733	17,703,448	12,265,200	8,842,928	71,041,815

Summarised statement of profit or loss and other comprehensive income:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Charter hire	4,448,391	11,241,480	2,508,198	4,748,667	-	2,508,198	25,454,934
Operating costs	(4,814,945)	(9,941,344)	(2,507,753)	(3,841,413)	(12,300)	(2,502,619)	(23,620,374)
Operating profit/(loss)	(366,554)	1,300,136	445	907,254	(12,300)	5,579	1,834,560
Other non-operation expenses							
Interest expense	(1,420)	(190)	(4,673)	(906,893)	-	(5,253)	(918,429)
Finance income	87,661	175	108	392	665,800	53	754,189
Net profit/(loss)	(280,313)	1,300,121	(4,120)	753	653,500	379	1,670,320

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

Reconciliation of summarised financial information:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Opening net assets 1 January	**11,588,886**	**1,288,263**	**9,016,772**	**6,211,677**	**11,609,006**	**8,737,369**	**48,451,973**
Profit/(loss) for the year	**(280,313)**	**1,300,121**	**(4,120)**	**753**	**653,500**	**379**	**1,670,320**
Adjustment	**(115)**	**-**	**-**	**-**	**-**	**-**	**(115)**
Dividend received during the year	**(308,000)**	**-**	**-**	**-**	**-**	**-**	**(308,000)**
At 31 December	**11,000,458**	**2,588,384**	**9,012,652**	**6,212,430**	**12,262,506**	**8,737,748**	**49,814,178**
Investment in joint ventures	**50%**	**50%**	**50%**	**50%**	**50%**	**50%**	
Book value of investment	**5,500,229**	**1,294,192**	**4,506,326**	**3,106,215**	**6,131,253**	**4,368,874**	**24,907,089**
Fair value adjustment	**2,741,045**	**1,786,583**	**(1,360,411)**	**(1,051,718)**	**(3,729,524)**	**(873,149)**	**(2,487,174)**
Carrying value of investment	**8,241,274**	**3,080,775**	**3,145,915**	**2,054,497**	**2,401,729**	**3,495,725**	**22,419,915**

Set out below is the summarised financial information of the indirect joint ventures which are accounted for using the equity method as at 31 December 2023.

Summarised statement of financial position:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	10,785,725	-	8,694,936	14,963,609	-	8,534,257	42,978,527
Current assets	3,990,784	2,353,961	965,755	3,819,530	11,611,702	607,096	23,348,828
Total assets	14,776,509	2,353,961	9,660,691	18,783,139	11,611,702	9,141,353	66,327,355
EQUITY AND LIABILITIES							
Total equity	11,588,888	1,318,574	9,016,770	6,211,675	11,609,007	8,737,365	48,482,279
LIABILITIES							
Non-current liability	-	-	-	-	-	-	-
Current liabilities	3,187,621	1,035,387	643,921	12,571,464	2,695	403,988	17,845,076
Total liabilities	3,187,621	1,035,387	643,921	12,571,464	2,695	403,988	17,845,076
Total equity and liabilities	14,776,509	2,353,961	9,660,691	18,783,139	11,611,702	9,141,353	66,327,355

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

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11 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Charter hire	4,918,375	10,114,574	2,641,870	4,454,643	-	2,698,080	24,827,542
Operating costs	(3,997,819)	(9,865,596)	(2,238,380)	(3,506,159)	(13,847)	(2,428,561)	(22,050,362)
Operating profit/(loss)	920,556	248,978	403,490	948,484	(13,847)	269,519	2,777,180
Other non-operation expenses	-	(152)	(2,358)	(16,299)	(26,807)	(2,349)	(47,965)
Interest expense	(664)	-	(72,436)	(938,960)	-	(75,414)	(1,087,474)
Finance income	55,462	121	117	312	297,405	65	353,482
Net profit/(loss)	975,354	248,947	328,813	(6,463)	256,751	191,821	1,995,223

Reconciliation of summarised financial information:

	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Opening net assets 1 January	15,233,532	1,039,316	8,687,959	6,218,140	11,352,255	8,545,548	51,076,750
Profit/(loss) for the year	975,354	248,947	328,813	(6,463)	256,751	191,821	1,995,223
Dividend received during the year	(4,620,000)	-	-	-	-	-	(4,620,000)
At 31 December	11,588,886	1,288,263	9,016,772	6,211,677	11,609,006	8,737,369	48,451,973
Investment in joint ventures	50%	50%	50%	50%	50%	50%	
Book value of investment	5,794,443	644,131	4,508,386	3,105,838	5,804,503	4,368,685	24,225,986
Fair value adjustment	2,741,045	1,786,583	(1,360,411)	(1,051,718)	(3,729,524)	(873,149)	(2,487,174)
Carrying value of investment	8,535,488	2,430,714	3,147,975	2,054,120	2,074,979	3,495,536	21,738,812

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12 Revenue from contracts with customers

12.1 Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major product lines and geographical regions. Breakup of total revenue is disclosed in note 27:

31 December 2024	Freight and lease income RO	Ship conversion & repair RO	Bus, postal and ferry services RO	Others RO	Total RO
Timing of revenue recognition					
- At a point in time	1,441,898	-	20,105,087	13,493,060	35,040,045
- Over time	136,937,179	57,661,437	3,282,789	1,252,247	199,133,652
	138,379,077	**57,661,437**	**23,387,876**	**14,745,307**	**234,173,697**

31 December 2023	Freight and lease income RO	Ship conversion & repair RO	Bus, postal and ferry services RO	Others RO	Total RO
Timing of revenue recognition					
- At a point in time	1,220,533	-	15,308,843	14,264,470	30,793,846
- Over time	142,918,134	63,356,981	2,887,223	3,801,228	212,963,566
	144,138,667	63,356,981	18,196,066	18,065,698	243,757,412

12.2 Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2024 RO	2023 RO
Contract assets relating to:		
- Voyage charter contracts	**4,775,317**	2,386,634
- Ship conversion & repair contracts	**6,191,591**	8,927,225
- Advertisement contracts	**419,862**	14,407
- Project management contracts	**30,342**	316,769
Total current contract assets (note 13(d))	**11,417,112**	11,645,035
Contract liabilities relating to:		
- Voyage charter contracts	**11,962,965**	12,716,920
Total current contract liabilities (note 25)	**11,962,965**	12,716,920

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	2024 RO	2023 RO
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
- Voyage charter contracts	**12,716,920**	2,980,487

(ii) Assets recognised from costs to fulfil a contract

	2024 RO	2023 RO
Asset recognised from costs incurred to fulfil a contract (note 16)	**303,366**	2,680,776

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12 Revenue from contracts with customers (continued)

12.2 Assets and liabilities related to contracts with customers (continued)

(iii) Unsatisfied long-term consulting contracts

There was no revenue recognised in the current reporting period that relates to carried-forward contract liabilities and there were no unsatisfied performance obligations in prior year.

13 Financial assets at amortised cost

The Group holds the following financial assets at amortised cost:

	2024 RO	2023 RO
Receivables under finance lease arrangements - note 13(a)	**123,264,468**	131,053,407
Loans receivable - note 13(b)	**371,199**	7,632,419
Trade receivables - note 13(c)	**53,712,527**	34,326,637
Other financial assets at amortised cost - note 13(d)	**34,781,787**	32,814,217
Bank balances and cash - note 13(f)	**226,563,689**	268,482,574
	438,693,670	474,309,254

13(a) Receivables under finance lease arrangements

Four of ASC's subsidiaries entered into 20 years lease arrangements for VLOCs with a third party (lessee). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of these VLOCs and therefore has accounted the time charter party agreements as finance lease arrangements. Considering the specific nature of these vessels, the Group does not expect that the lessee will exercise the extension or early termination options.

	2024 RO	2023 RO
Non-current portion	**114,736,646**	123,427,086
Current portion	**8,694,161**	7,803,261
Less: Expected credit loss allowance	**(166,339)**	(176,940)
	8,527,822	7,626,321

Future minimum lease receivables under finance lease together with the present value of the minimum lease receivables are as follows:

	2024 RO	2023 RO
Finance lease receivable		
- Current	**8,527,822**	7,626,321
- Non-current	**114,736,646**	123,427,086
Total finance lease receivable	**123,264,468**	131,053,407
Undiscounted lease payments to be received		
1 year	**23,217,101**	24,240,910
2 years	**23,500,333**	23,383,440
3 years	**23,855,015**	23,500,333
4 years	**23,001,718**	23,855,015
5 years	**23,345,799**	23,001,718
> 5 years	**78,553,949**	107,317,400
	195,473,915	225,298,816
Less: unearned finance income	**(72,209,447)**	(94,245,409)
	123,264,468	131,053,407

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13 Financial assets at amortised cost (continued)

13(a) Receivables under finance lease arrangements (continued)

The loss allowance for receivables under finance lease arrangements was RO 166,339 as at 31 December 2024 (2023 - RO 176,940). The receivable under finance lease arrangements is from a reputable organisation, which is considered to be one of the largest ore producers in the world and therefore considered to be of good credit standing. Further, there are no past due finance lease receivables.

During 2024, the Group recognised interest income on lease receivables of RO 16.12 million (2023: RO 16.96 million).

13(b) Loans receivable

	2024 RO	2023 RO
Loans to joint ventures	**371,199**	5,663,571
Loan to OJV3 (note 14)	**-**	1,993,637
	371,199	7,657,208
Less: Expected credit loss allowance	**-**	(24,789)
	371,199	7,632,419
Less: classified as non-current	**(371,199)**	(7,632,419)
Current portion of loans receivable	**-**	-

(i) The loss allowance for loans receivables was RO Nil as at 31 December 2024 (2023 - 24,789).

(ii) Loans provided to Al Musanah Maritime Transportation Company S.A., a joint venture, carries an effective annual interest rate of SOFR plus 2% (2023 – SOFR plus 2%). The loan receivables also include an accrued interest of Nill (2023: RO 55,238) as of the reporting date. The outstanding amount has been settled during the year 2024.

(iii) The Group has granted a loan to OJV3 denominated in Japanese Yen amounting to RO 1,995,123 (2023 - RO 1,993,637), which carry an interest rate of 4% (2023– 4%). The loan receivables also include accrued an interest of Nil (2023: RO 3,722) as of the reporting date. The outstanding amount has been settled during the year 2024.

(iv) None of the loans receivables from related parties are past due or carry specific provision as at 31 December 2024 or 31 December 2023.

13(c) Trade receivables

	2024 RO	2023 RO
Trade receivables	**68,687,109**	47,289,681
Less: loss allowance	**(14,974,582)**	(12,963,044)
	53,712,527	34,326,637

(i) Due to the short-term nature of the current receivables, their carrying amount approximates their fair value.

(ii) Of the total carrying amount of provision, RO 9,504,112 pertains to expected credit loss (2023 – RO 8,344,777), and the balance amount of RO 5,470,470 pertains to specific receivables arising from contracts with customers (2023 – RO 4,618,267).

13(d) Other financial assets at amortised cost

	2024 RO	2023 RO
Subsidy receivable (note 20)	**6,851,440**	-
Other receivables	**5,556,711**	21,016,951
Receivables due from related parties	**11,757,894**	3,443,992
Contract assets (accrued income) (note 12.2)	**11,530,543**	11,645,035
Less: loss allowance - other receivables	**(801,370)**	(3,200,093)
Less: loss allowance - contract assets	**(113,431)**	(91,668)
Less: loss allowance - Other financial assets at amortised cost	**-**	-
	34,781,787	32,814,217

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13 Financial assets at amortised cost (continued)

13(e) Impairment of trade receivables and other financial assets at amortised cost

The closing loss allowances for trade receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2024 RO	2023 RO
At 1 January	**12,963,044**	10,926,346
Increase in loan loss allowance recognised in profit or loss during the year	**2,811,168**	2,964,122
Unused amount reversed	**(799,630)**	(927,424)
At 31 December	**14,974,582**	12,963,044
Net movement in provisions during the year on:		
- Trade receivables	**2,011,538**	2,036,698
- Contract assets	**21,763**	(103,073)
- Other receivables*	**(260,998)**	2,557,968
- Loans receivable	**(24,789)**	-
- Receivables under finance lease arrangements	**(10,601)**	40,284
- Other financial assets at amortised cost	**-**	(60,434)
Net (reversal)/provision for impairment losses on financial and contract assets	**1,736,913**	4,471,443

*During the year, amount of RO 2,137,725 has been written off against the other receivable account, mainly from Rakiza.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables:

	0-120 days	**121 -180 Days**	**181-240 Days**	**241- 300 days**	**301-360 days**	**361 and over**	**Total**
31 December 2024							
Gross carrying amount (RO)							
Trade receivables	32,974,208	3,212,651	3,523,319	1,855,322	4,510,318	22,611,291	68,687,109
Expected loss rate (%)	0.82	1.99	3.80	2.32	60.43	51.91	21.80
Loss allowance	**270,592**	**63,886**	**133,915**	**43,062**	**2,725,451**	**11,737,676**	**14,974,582**
31 December 2023							
Gross carrying amount (RO)							
Trade receivables	22,493,720	5,070,908	3,192,056	2,298,081	1,916,001	12,318,915	47,289,681
Expected loss rate (%)	0.44	2.30	4.03	28.21	29.28	92.62	27.41
Loss allowance	99,048	116,745	128,506	648,348	560,919	11,409,478	12,963,044

13(f) Bank balances and cash

Cash and cash equivalents include the following for the purpose of the consolidated statement of the cash flows:

	2024 RO	2023 RO
Cash and bank balances	**86,256,609**	93,739,783
Short term bank deposits - (i)	**127,607,080**	82,325,000
Long term bank deposits – (i)	**12,700,000**	92,417,791
Total cash and bank balances	**226,563,689**	268,482,574
Less: classified as non-current (bank deposits)	**(12,700,000)**	(92,417,791)
Current portion of cash and bank balances	**213,863,689**	176,064,783
Less: Short term bank deposits (more than 3 months) - (i)	**(124,607,080)**	(70,775,000)
Less: Margin deposits (restricted cash) - (ii)	**(26,791,383)**	(16,018,602)
Cash and cash equivalents	**62,465,226**	89,271,181
Less: Bank overdraft (note 19)	**-**	(8,235,113)
Cash and cash equivalents in consolidated cash flow statement (iii)	**62,465,226**	81,036,068

ASYAD GROUP SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13 Financial assets at amortised cost (continued)

13(f) Bank balances and cash (continued)

(i) These deposits are held with commercial banks in Sultanate of Oman. These deposits carry annual interest rates ranging between 4.75% to 6.7% (2023 - 5.00% to 5.90%). Fixed deposits also include accrued interest amounting to RO 3,577,825 (2023: RO 1,744,892).

(ii) Certain subsidiaries are required to maintain service deposit balances to comply with the requirement of loans held with commercial banks in Sultanate of Oman, Japan and Europe. As of 31 December 2024, the balances in these service deposit accounts are denominated in US Dollars and amounted to RO 26,791,383 (2023 - RO 16,018,602).

(iii) Cash and cash equivalents at year end comprise cash and cash equivalents of RO 62,465,226 (2023 – 89,271,181) and bank overdrafts of RO Nil (2023 – 8,235,113).

The loss allowance for bank balances and cash as at 31 December 2024 and 31 December 2023 was not considered to be material and therefore not recognised in the consolidated financial statements at the reporting date.

Reconciliation of liabilities arising from financing activities

	2023 RO	**Cash in flows RO**	**Cash out flows RO**	**Non-cash Item RO**	**2024 RO**
Interest bearing loans and borrowings (note 19)	595,314,701	**276,411,250**	**(308,487,727)**	**430,214**	**563,668,438**
Deferred finance cost (note 19)	(1,910,749)	**-**	**(161,096)**	**370,535**	**(1,701,310)**
Lease liabilities (note 19)	173,909,536	**-**	**(81,471,986)**	**63,519,222**	**155,956,772**
Bank overdraft (note 19)	8,235,113	**-**	**(8,235,113)**	**-**	**-**
Liabilities arising from financing activities	775,548,601	**276,411,250**	**(398,355,922)**	**64,319,971**	**717,923,900**

Cash flows from financing activities include dividends paid during the year amounting to RO 21,613,723 (2023 - RO 4,158,000) which do not have any corresponding liability in the statement of financial position at the reporting date.

Below is the summary of gross carrying amount by bank rating:

Moody's rating	**2024 RO**	2023 RO
A	**33,985**	-
A-	**98,815**	-
A1	**33,038,603**	37,344,323
A2	**99,226**	341,057
A3	**193,566**	196,255
Aa1	**1,490,137**	1,392,571
Aa3	**120,638**	25,256
Ba1	**128,660,922**	92,062,520
Baa1	**806,424**	-
Baa3	**37,751,133**	23,954,375
BB-	**482,353**	-
BBB-	**1,781,096**	-
BBB+ / F2	**167,597**	-
P-3	**538**	539
Unrated	**20,954,356**	112,443,770
Total bank balance	**225,679,389**	267,760,666
Cash in hand	**884,300**	721,908
Total cash and bank balance	**226,563,689**	268,482,574

The stated rating is as per the global bank ratings by Moody's Investors Service. Although certain banks were unrated or not prime, management does not foresee any credit risk.

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13 Financial assets at amortised cost (continued)

13(f) Bank balances and cash (continued)

Net debt	2024 RO	2023 RO
Cash and cash equivalents	**62,465,226**	89,271,181
Margin and other deposits	**151,398,463**	86,793,602
Lease liabilities - repayable within one year	**(71,912,207)**	(87,268,060)
Lease liabilities - repayable after one year	**(84,044,565)**	(86,641,476)
Long term loan - repayable within one year	**(115,448,129)**	(121,900,341)
Long term loan - repayable after one year	**(448,220,309)**	(481,649,473)
Net debt	**(505,761,521)**	(601,394,567)
Cash and cash equivalents	**62,465,226**	89,271,181
Margin and other deposits	**151,398,463**	86,793,602
Gross debt	**(719,625,210)**	(777,459,350)
Net debt	**(505,761,521)**	(601,394,567)

14 Financial assets at fair value through other comprehensive income

	2024 RO	2023 RO
At 1 January	**101**	3,008
Write off	**-**	(2,907)
At 31 December	**101**	101

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

At 31 December 2024, the FVOCI financial assets consists of unquoted shares amounting to RO 101 (2023: 3,008). The Group has a 40% preference share holding in OJV Cayman 3 Limited (OJV3) amounting to RO 2,907, which was written off during 2023. The loss allowance for financial assets at fair value through other comprehensive income as at 31 December 2024 and 31 December 2023 was not considered to be material and therefore not recognised in the consolidated financial statements at the reporting date.

15 Inventories

	2024 RO	2023 RO
Raw materials and spare parts	**11,840,550**	9,925,115
Provision for obsolete inventory	**(534,254)**	(397,212)
	11,306,296	9,527,903
Bunkers	**4,142,693**	5,951,668
Fuel	**3,317,117**	3,657,716
	18,766,106	19,137,287

Movement in provision for obsolete inventory

	2024 RO	2023 RO
As at 1 January	**(397,212)**	(467,939)
Provision for impairment recognised during the year	**(137,042)**	-
Write-offs	**-**	70,727
As at 31 December	**(534,254)**	(397,212)

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16 Other assets

	2024 RO	2023 RO
Accrued lease rental income (i)	**12,719,669**	13,040,687
Prepayments and advances	**22,027,867**	19,170,657
Contract asset relating to costs incurred to fulfil a contract (note 12.2)	**303,366**	2,680,776
	35,050,902	34,892,120
Less: classified as non-current other assets	**(12,719,669)**	(13,040,687)
	22,331,233	21,851,433

(i) Accrued lease rental income represents the amount due on account of recognition of operating lease rental income on a straight-line basis in accordance with the requirements of IFRS 16 ‘Leases’ (2023 - IFRS 16 ‘Leases’).

17 Share capital

	The Parent Company			
	Authorized share capital		Issued and fully paid	
	2024 RO	2023 RO	2024 RO	2023 RO
Shares of RO 1 each	**500,000,000**	350,000,000	**452,063,884**	337,463,178

Movement in share capital

	2024 RO	2023 RO
As at 1 January	**337,463,178**	337,463,178
Registered during the year	**114,600,706**	-
As at 31 December	**452,063,884**	337,463,178

Share capital pending registration

	2024 RO	2023 RO
As at 1 January	**114,600,706**	114,600,706
Registered during the year	**(114,600,706)**	-
As at 31 December	**-**	114,600,706

18 Legal reserve

As required by the Commercial Companies Law of the Sultanate of Oman, the Parent Company and its subsidiaries, incorporated in the Sultanate of Oman, are required to transfer 10% of their profit for the year to this reserve until such time as the statutory reserve amounts to at least one third of the respective company’s registered share capital. The reserve is not available for distribution.

The balance at the end of the year represents amounts relating to the Company and its share of reserves of each of its two Omani subsidiaries below:

	2024 RO	2023 RO
Relating to the Parent Company	**10,145,843**	8,318,094
Relating to the subsidiaries	**19,234,706**	8,491,830
	29,380,549	16,809,924

These consolidated financial statements do not include the pre-acquisition legal reserve of RO 6,301,931 (2023 – RO 6,301,931) relating to its subsidiaries.

19 Interest bearing loans and borrowings

	2024 RO	2023 RO
Term loans (i) and (ii)*	**563,668,438**	595,314,701
Bank overdrafts	**-**	8,235,113
Lease liabilities (iii)	**155,956,772**	173,909,536
	719,625,210	777,459,350
Less: Deferred financing costs	**(1,701,310)**	(1,910,749)
	717,923,900	775,548,601
Current portion of the above liabilities		
Term loans	**115,448,129**	113,665,228
Bank overdrafts	**-**	8,235,113
Lease liabilities	**71,912,207**	87,511,688
Total current portion of interest bearing loans and borrowings	**187,360,336**	209,412,029
Non-current portion of interest bearing loans and borrowings	**530,563,564**	566,136,572

*Term loans consist of both secured and unsecured loan balances.

(i) Term loans taken by ASC are denominated in USD and RO and are repayable in installments of several denominations from quarterly to semi-annual repayments.

The loans are secured against the vessels of the Group having carrying value of RO 328.43 million (2023 – RO 339.799 million) that are assigned to the banks. The loans carry interest at variable rates based on SOFR with margins ranging from 1.7% to 5.7% per annum (2023: SOFR 1.7% to 4.35%).

Term loans also include accrued interest amounting to RO 5.45 million (2023: RO 4.86 million).

In order to manage the interest rate risk, the Group has entered into certain interest rate hedging agreements, the details of which are set out in note 22. Loan instalments and obligations under finance leases due within one year are disclosed under current liabilities.

(ii) In addition to above mentioned ASC loans, the Group companies also have the following loans and facilities:

(a) ASYAD has entered into 8 years loan facility agreement with National Bank of Oman SAOG for RO 20 million with 12 months moratorium period from the date of the first drawdown. The loan matures on 31 December 2027. The loan is repayable in semi-annually instalments with a balloon payment of 28% of the loan at the end of the tenure. The facility attracts interest rate of 3 months SOFR plus 3.75% per annum (2023 - 3 months SOFR plus 3.75% per annum) payable on quarterly basis with SWAP interest rate of 0.7%. The loan is unsecured, however, contain certain restrictive covenants that includes debt service and pattern of shareholding.

(b) A loan facility agreement with Bank Muscat SAOG, Bank Muscat - Meethaq, Sohar International SOAG and Sohar Islamic SOAG for RO 115.5 million. The loan matures on 31 December 2034. The Loan is repayable in semiannually installments with a balloon payment of 18%. The facility attracts 2 years fixed interest rate of 5.70% per annum payable half yearly and thereafter 2.2% plus CBO rate. The loan is unsecured, however, contains certain restrictive covenants.

(c) A loan facility agreement with Bank Muscat - Meethaq, for RO 30 million. The loan matures on 31 December 2031. The Loan is repayable in semiannually installments with a balloon payment of 24%. The facility attracts 2 year fixed interest rate of 5.50% per annum payable half yearly and thereafter 1.5% plus CBO rate. The loan is unsecured, however, contains certain restrictive covenants.

(d) ASYAD has a unsecured revolving credit facilities of RO 4 million (2023 – a unsecured revolving credit facilities of RO 5 million) which has of 1 year FD rate + 1% per annum (2023 – 1 year FD rate of 4+1% per annum).

(e) ASYAD has 3 unsecured working capital facilities (WCF), WCF 1 of RO 7.3 million carrying profit rate of 5.5% per annum for 90 days tenor and 5.75% per annum for 180 days tenor. WCF 2 of RO 7.7 million carrying fixed rate of 5%. WCF 3 of RO 7 million has Fixed interest rate of 5.5% per annum for 90 days (2023 – 3 unsecured working capital facilities (WCF), WCF 1 of RO 15 million carrying profit rate of 5.25% per annum for 90 days tenor and 5.75% per annum for 180 days tenor. WCF 2 of RO 7.7 million carrying fixed rate of 5.5%. WCF 3 of RO 19.250 million has variable interest rate of 3 months SOFR plus 3.75% per annum).

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19 Interest bearing loans and borrowings (continued)

(f) ADC's loan is obtained from commercial bank based in Oman. The loan carries two tranches. Tranche1 has a fixed rate of 6% and Tranche 2 has fixed rate of 5.75% and is repayable in quarterly installments commencing from November 2017 to November 2032 and Jun 2022 to Jun 2033 the loan is secured through corporate guarantee by ASYAD Drydock and ASYAD Group.

(g) On 27 December 2016, SFZ entered into a Loan facility agreement with Bank Dhofar SAOG (Term loan 1) for RO 21.700 million for completion of the existing projects. The loan is repayable in 16 half yearly instalments. The principal amount of this loan is guaranteed by Ministry of Finance, Sultanate of Oman. The loan carries fixed interest rate of 5.25% (2023 – 5.25%). The loan matures on 30 September 2026. However, the loan has been fully repaid during 2024.

(h) On 13 May 2018, SFZ entered into a Loan facility agreement with Qatar National Bank (QSPC) (Term loan 2), for term loan facility of OMR 24 million for development of infrastructure. Out of the total loan facility, RO Nil (2023 – RO 13.104 million) has been drawn down. The loan is repayable in half yearly instalments starting from 2021. The principal and interest amount of this loan is to be paid by SFZ on due dates as per the repayment schedule. The principal amount of the loan is guaranteed by Ministry of Finance, Sultanate of Oman. The loan matures on 31 October 2028. This loan carries floating interest rates based on Oman one-year fixed deposit card rate + 1.5 Margin%). However, the loan has been fully repaid during the year.

(i) ONTC's loan taken is a USD Senior Term Loan carrying interest rate of 3-month SOFR plus 2.45% per annum (2023 - 3-month SOFR plus 2.45% per annum), payable at the end of each 3-month interest period. The loan is repayable in 36 equal quarterly instalments commencing from 31 December 2019.

(j) AP's subsidiary Khazaen Dry Port Company LLC (KDP) has obtained long term loan at fixed interest rate of 5.75% (2023 – 5.75%) from commercial bank for construction of dry port facilities at Khazaen Economic City (KEC) for a period of 10 years. The term loan will be repayable in 40 quarterly installments commencing from 2023 onwards. The installments will be inclusive of profit payable on reducing facility balance. The loan is secured on the lease land, commercial charge over the asset of KDP and corporate guarantees from members.

(k) The loan agreements contain certain restrictive covenants that include net debt, current ratio, tangible net worth, debt service, debt equity ratio, pattern of shareholding, payment of dividends, disposal of vessel, amendment to time charter party agreement and creation of charge over authorised security.

(l) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

Loan Type	Currency	Nominal Interest Rate	Year of Maturity	Carrying Amount (2024) OMR	Carrying Amount (2023) OMR
Unsecured bank loan	OMR	1% + 1y FD rate 3.75%	Rollover base	4,000,000	3,500,000
Unsecured bank loan	OMR	3m 5.5% or 6m 5.75%	Rollover base	7,300,000	15,000,000
Unsecured bank loan	OMR	0.05	Rollover base	7,700,000	7,700,000
Unsecured bank loan	OMR	0.055	2025	7,000,000	6,943,966
Unsecured bank loan	USD	3m SOFR plus 3.75% / IRS 0.7%	2027	11,138,464	13,353,848
Unsecured bank loan	OMR	2y Fixed 5.70% therafter 2.2% plus CBO Rate	2034	114,345,000	-
Unsecured bank loan	OMR	2y fixed 5.50% therafter 1.5% plus CBO rate	2031	30,000,000	-
Secured bank loan	OMR	0.06	2032	12,309,692	13,410,408
Secured bank loan	OMR	0.0575	2033	7,640,000	7,880,000
Secured bank loan	USD	2.45%+3m SOFR	2028	4,849,544	6,147,241
Secured bank loan	OMR	2y fixed 5.75% therafter 1.4% plus CBO rate	2034	8,000,000	-
Secured bank loan	OMR	0.0575	2026	-	9,493,800
Secured bank loan	OMR	0.055	2027	-	11,223,311
Secured bank loan	USD	0.0435	2025	5,439,117	6,707,340

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19 Interest bearing loans and borrowings (continued)

(l) Terms and repayment schedule (continued)

oLoan Type	Currency	Nominal Interest Rate	Year of Maturity	Carrying Amount (2024) OMR	Carrying Amount (2023) OMR
Secured bank loan	USD	0.0435	2024	6,133,301	-
Secured bank loan	USD	2.80%+6M SOFR	2031	4,627,796	5,068,910
Secured bank loan	USD	2.80%+6M SOFR	2031	4,627,796	5,068,910
Secured bank loan	USD	2.80%+6M SOFR	2031	4,749,071	5,207,510
Secured bank loan	USD	2.5%+6M SOFR	2030	21,685,099	23,339,059
Secured bank loan	USD	2.5%+6M SOFR	2031	21,946,976	23,600,936
Secured bank loan	USD	2%+3M SOFR	2028	2,408,754	3,045,843
Secured bank loan	USD	0.0425	2027	1,702,742	1,702,742
Secured bank loan	USD	2%+3M SOFR	2028	2,567,927	3,251,256
Secured bank loan	USD	0.0425	2027	1,817,621	1,817,621
Secured bank loan	USD	1.70%+6M TSOFR	2030	9,115,380	10,491,286
Secured bank loan	USD	1.70%+6M TSOFR	2030	9,663,339	11,121,956
Secured bank loan	USD	1.70%+6M TSOFR	2030	8,433,801	9,706,828
Secured bank loan	USD	2.25%+6M SOFR	2028	9,809,800	11,319,000
Secured bank loan	USD	1.85%+6M SOFR	2025	1,212,750	3,638,250
Secured bank loan	USD	1.9%+6M SOFR	2025	1,966,058	5,769,620
Secured bank loan	USD	1.9%+6M SOFR	2025	3,887,640	7,611,013
Secured bank loan	OMR	2.25%+6M SOFR	2025	9,260,533	11,575,667
Secured bank loan	OMR	0.0615	2025	9,198,933	11,498,667
Secured bank loan	OMR	2.25%+6M SOFR	2025	9,188,667	11,485,833
Secured bank loan	OMR	2.25%+6M SOFR	2025	8,890,933	11,113,667
Secured bank loan	USD	1.8%+6M SOFR	2027	7,739,102	9,236,992
Secured bank loan	USD	2.1%+6M SOFR	2030	19,750,500	21,309,750
Secured bank loan	USD	1.75%+6M SOFR	2028	4,463,594	4,968,906
Secured bank loan	USD	1.75%+6M SOFR	2028	4,463,594	4,968,906
Secured bank loan	USD	1.85%+6M SOFR	2025	1,430,000	1,870,000
Secured bank loan	USD	1.85%+6M SOFR	2025	1,283,333	1,796,667
Secured bank loan	USD	1.85%+6M SOFR	2025	1,283,333	1,796,667
Secured bank loan	OMR	1.70%+ 6 M Bank Muscat FD rate	2024	-	215,500,000
Unsecured bank loan	OMR	2y Fixed 5.70% therafter 2.2% plus CBO Rate	2034	114,345,000	-
Secured bank loan	USD	2.25%+6M SOFR	2024	-	4,490,008
Secured bank loan	USD	2.25%+6M SOFR	2024	-	4,515,064
Secured bank loan	USD	2.25%+6M SOFR	2024	-	4,529,020
Secured bank loan	USD	1.92%+6M SOFR	2028	4,037,657	4,679,970
Secured bank loan	USD	1.92%+6M SOFR	2028	4,045,712	4,686,951
Secured bank loan	USD	1.92%+6M SOFR	2028	4,243,438	4,858,313
Secured bank loan	USD	1.92%+6M SOFR	2028	4,272,973	4,883,909
Secured bank loan	USD	1.92%+6M SOFR	2028	4,274,027	4,884,824
Secured bank loan	USD	1.92%+6M SOFR	2028	4,343,644	4,945,158
Secured bank loan	USD	1.92%+6M SOFR	2028	4,370,014	4,968,012
Secured bank loan	OMR	6.5% - Subject to annual review - min 5.75% max 8%	2031	1,249,852	1,320,907

*Term loans consist of both secured and unsecured loan balances

(i) On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2018.

The amount payable for the lease liabilities under right of use assets is as follows:

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19 Interest bearing loans and borrowings (continued)

(l) Terms and repayment schedule (continued)

	2024		2023	
	Minimum payments RO	**Present value of payments RO**	Minimum payments RO	Present value of payments RO
Within one year	**78,549,564**	**71,912,207**	92,532,529	87,268,060
After one year but not more than five years	**77,742,919**	**70,329,185**	87,739,266	78,466,131
More than five years	**25,800,248**	**13,715,380**	19,519,899	8,175,345
Total minimum lease payments	**182,092,731**	**155,956,772**	199,791,694	173,909,536
Less: Amount representing finance charges	**(26,135,959)**	**-**	(25,882,158)	-
Present value of minimum lease payments	**155,956,772**	**155,956,772**	173,909,536	173,909,536
Less: Current portion of lease liabilities under right of use assets	**(71,912,207)**	**(71,912,207)**	(87,268,060)	(87,268,060)
Non-current portion of lease liabilities under right of use assets	**84,044,565**	**84,044,565**	86,641,476	86,641,476

These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's average incremental borrowing rate as at date of measurement which was 5.64% at the date of initial adoption.

Breach of loans covenants and the waivers

The specific loan agreements contain certain financial covenants which require that at testing date defined in the agreement. During the year ended 31 December 2024, the Group was in compliance with all loan covenants.

20 Government grants and subsidies

The operational subsidy and deferred government grant recognised in the statement of comprehensive income comprise the following:

	2024 RO	2023 RO
Operational subsidy	**23,984,492**	24,328,592
Deferred government grant transferred to statement of profit or loss	**997,205**	1,330,922
	24,981,697	25,659,514

The Group received subsidies to cover the excess of expenses over the income relating to public service operations. Where the amounts received are greater or lesser than the actual excess of expenses over income they are treated as subsidy received in advance or a subsidy receivable respectively.

The government grant includes the reimbursement of amounts paid to the civil service pension employees of OPC by MOF.

A Government tariff subsidy is given on certain sectors for NFC. The amount of the subsidy is recognised in profit or loss.

The movements in deferred government grants as shown in the statement of financial position are as follows:

	2024 RO	2023 RO
As at 1 January	**8,866,492**	9,890,227
Adjustment during the year	**-**	65,821
Received during the year	**-**	241,366
Amortised during the period	**(997,205)**	(1,330,922)
As at 31 December	**7,869,287**	8,866,492
	24,981,697	25,659,514

20 Government grants and subsidies (continued)

The current and non-current portions of the deferred government grant are as follows:

	2024 RO	2023 RO
Non-current portion of deferred government grant	**6,935,233**	8,020,763
Current portion of deferred government grant	**934,054**	845,729
	7,869,287	8,866,492

Operational subsidies are recognised in the statement of financial position as follows:

	2024 RO	2023 RO
Subsidy receivable (note 13(d))	**6,851,440**	-
Subsidy received in advance (note 25)	**-**	-

21 Contingencies and commitments

The following table provides details of Group's contingencies and commitments and are primarily related to Asyad, ASC, ADC, ONTC and SFZ:

	2024 RO	2023 RO
Vessel	**184,729,440**	155,185,800
Letter of credit, bank guarantees and bonds	**1,264,545**	1,022,996
Other capital and purchase commitments	**483,960**	415,420

22 Derivative financial instruments

In accordance with the requirements of loan agreements with certain commercial banks and with a view to cap exposure to fluctuating interest rates, ASYAD and certain subsidiaries of the ASC group has entered into interest rate hedging agreements with commercial banks.

The table below shows the fair values of the derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturities. The notional amounts are the amounts of derivatives' underlying assets, reference rates or indices and are the basis upon which changes in the values of derivatives are measured.

	2024 RO	2023 RO
Loan balances covered by hedging arrangements (note 4.1(a)(ii))	**57,280,813**	112,546,454
Negative fair value of derivatives - current portion	**-**	-
Negative fair value of derivatives – non-current portion	**17,899**	17,899
Positive fair value of derivatives – current portion	**(1,215,913)**	(3,095,782)
Positive fair value of derivatives – non-current portion	**(648,400)**	(1,389,575)
	(1,846,414)	(4,467,458)
Change in fair value of derivatives	**2,614,274**	7,731,407
Notional amounts by term to maturity (note 4.1(a)(ii))		
1 - 12 months	**21,611,422**	37,725,001
More than 1 up to 5 years	**35,669,391**	67,915,516
Over 5 years	**-**	6,905,937
	57,280,813	112,546,454

23 Provision for employees' end of service benefits

	2024 RO	2023 RO
1 January	**4,284,897**	3,460,439
Addition from acquisition	**491,162**	-
Provision during the year (note 31)	**1,040,313**	1,646,511
Paid during the year	**(777,687)**	(800,588)
Adjustment during the year	**(15,538)**	(21,465)
31 December	**5,023,147**	4,284,897

24 Provisions

Non-current provisions

Unfavourable leases

Included in a number of subsidiaries are leases where the future economic benefits of the lease are less than the market value of the related asset based on observable market data. The table below shows the carrying value of unfavorable leases at the date of share transfer and at year-end.

	As at 1 January 2023 RO	Released during 2023 RO	As at 31 December 2023 RO	**Released during 2024 RO**	**As at 31 December 2024 RO**
ASC	3,196,396	(912,464)	2,283,932	(912,463)	**1,371,469**

Current provisions

	2024 RO	2023 RO
Provision for staff legal claims (i)	**255,000**	172,217
Provision for acting allowance (ii)	**80,537**	80,537
Provision for settlement of JV claims (iii)	**24,189**	24,189
Provision for concession fee (iv)	**1,135,649**	895,993
31 December	**1,495,375**	1,172,936

(i) Staff legal claims provision relates to lawsuits filed by the current and ex-employees against OPC for which judgements have been awarded in favour of the employees by the primary courts. All the cases have been appealed by OPC in higher courts and are pending with the higher courts at various stages.

(ii) In accordance with OPC policy, staff are entitled for an acting allowance, the current provision covers expected claims up to 31 December 2024.

(iii) AP is expected to settle certain claims relating to its joint venture for which a provision has been made.

(iv) In 2020, AP verbally finalised the concession fee charge mechanism with the port owners and has been making a provision in this respect annually.

25 Trade and other payables

	2024 RO	2023 RO
Trade accounts payable	**26,770,246**	24,222,634
Accrued expenses	**29,851,953**	29,709,488
Advance from customers	**1,582,387**	2,251,977
Contract liabilities (unearned income) (note 12.2)	**11,962,965**	12,716,920
Amount due to a related party	**4,855,680**	1,460,007
Other payables	**13,950,881**	17,031,358
	88,974,112	87,392,384

26 Related parties

Related parties represent associate companies (notes 6 and 11), joint ventures (notes 6 and 11), subsidiary companies (note 6), Parent Company (note 1), directors and key management personnel of the Company and its shareholders and entities controlled, jointly controlled or significantly influenced by such parties (other related parties).

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

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

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

Compensation of key management personnel

The details regarding remuneration of members of key management throughout the Group and directors' sitting fees during the year are as follows:

	2024	2023
	RO	RO
Key management remuneration	**4,274,023**	4,415,459
Directors' sitting fees	**305,024**	315,188
	4,579,047	4,730,647

At 31 December 2024 the related party balances are as follows:

	Loans and other receivables		**Other payables and loans**	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Other related parties	**12,129,093**	11,101,200	**265,517**	1,460,007
Ultimate Parent Company	**6,851,440**	-	**4,590,163**	-
	18,980,533	11,101,200	**4,855,680**	1,460,007

Outstanding balances at the year-end arise in the normal course of business. For the year ended 31 December 2024, the Group has not recorded any impairment provision against amounts due from related parties (2023 - Nil).

During the year, the nature of transactions with related parties are as follows:

	2024	2023
	RO	RO
Share of results of joint ventures and associate (note 11)	**11,735,520**	9,687,786
Government subsidies and grants (note 20)	**24,981,697**	25,659,514
Dividends to shareholders	**21,613,723**	4,158,000

27 Revenue

	2024	2023
	RO	RO
Charter hire income	**242,663,301**	204,009,588
Freight and lease income	**123,342,746**	159,481,968
Ship conversion and repair	**57,661,437**	63,356,981
Freight Forwarding & Customs Clearance	**35,216,193**	2,282,570
Bus related services	**8,062,689**	6,671,262
Port services	**6,966,330**	6,678,639
Free zone fees	**6,526,730**	7,585,831
Postal related services	**4,612,870**	4,889,737
Express services	**4,348,175**	3,527,000
Project management services	**1,252,247**	3,906,332
Ferry related services	**1,231,141**	1,132,516
Warehouse & value-added Services	**1,070,989**	1,200,266
	492,954,848	464,722,690

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

27 Revenue (continued)

Revenue has been recognised under IFRS 15 and IFRS 16 as follows:

	2024 RO	2023 RO
Revenue from contracts with customers (IFRS 15)	**234,173,697**	243,757,412
Operating lease and Finance lease income (IFRS 16) *	**258,781,151**	220,965,278
	492,954,848	464,722,690

*During the year ended 31 December 2023 and 31 December 2022, the management presented charter hire income in the revenue from contracts with customers instead of operating lease income. During the current year, the management has reclassified appropriately charter hire income from revenue from contracts with customers to operating lease income. There is no impact on the gross profit and profit before tax on account of such reclassification.

Maturity analysis for lease payments from vessel chargers to be received under operating lease

	2024 RO	2023 RO
1 year	**159,619,906**	89,712,846
2 years	**32,878,066**	42,992,803
3 years	**15,026,069**	13,853,850
4 years	**8,766,450**	5,160,925
5 years	**1,524,600**	-
> 5 years	**-**	-
	217,815,091	151,720,424

Lease payments from lease of other assets are not considered to be material to the Group, therefore have not been included in the above analysis.

28 Other income

	2024 RO	2023 RO
Gain on sale of vessels	**80,389**	18,120,653
Recovery of write off receivables	**-**	4,083,340
Reversal of WHT provision	**-**	3,873,899
Building rental	**57,521**	139,025
Dividends income	**1,364,048**	147,570
Subleasing income	**808,197**	1,627,860
Income from sewage treatment and others	**1,161,304**	1,261,252
Provision of living facilities to subcontractors	**316,187**	473,790
Bus leasing income	**11,482**	114,700
Others	**147,120**	587,357
	3,946,248	30,429,446

29 Operating costs

	2024 RO	2023 RO
Labour cost	**71,746,354**	68,650,706
Freight and Custom cost	**33,229,981**	2,525,375
Other shipping cost	**31,466,755**	45,162,590
Fuel cost	**28,846,455**	43,859,786
Charter hire charges	**24,805,317**	28,767,137
Materials cost	**16,491,506**	14,695,606
Repair and maintenance	**12,479,399**	10,736,752
Insurance	**5,605,337**	5,083,444
Sub-contractor cost	**4,361,606**	6,450,770
Postal related cost	**1,326,041**	1,090,306
Royalty charges to TRA	**330,612**	421,801
Warehousing cost	**29,173**	18,155
Provision for obsolete inventory	**21,999**	17,708
Other operating cost	**9,472,233**	9,093,496
	240,212,768	236,573,632

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30 Administrative expenses

	2024 RO	2023 RO
Staff costs (note 31)	37,407,579	38,830,789
Office expenses and maintenance	3,639,969	3,346,650
Marketing and communication	2,698,873	1,721,812
IT related expenses	2,208,600	2,051,794
Professional fees	1,911,826	2,015,854
Travel related expenses	1,646,221	1,134,568
Training course expense	1,618,228	903,801
Short-term leases	448,718	351,240
Directors' sitting fees	305,024	353,873
Consolidated Goodwill impairment	-	615,186
Other expenses	3,568,130	2,539,356
	55,453,168	53,864,923

31 Staff costs

	2024 RO	2023 RO
Salaries and allowances	25,094,928	25,905,647
End of service benefits	705,403	1,488,151
Others	11,607,248	11,436,991
	37,407,579	38,830,789

32 Finance costs

	2024 RO	2023 RO
Interest on loans and borrowings	35,371,986	40,120,373
Interest expense on interest rate swap	-	-
Finance charges - lease liabilities	9,181,998	8,981,513
Amortisation of deferred finance cost	603,017	883,981
Bank charges	755,256	722,381
Exchange gain/loss	251,533	280,711
	46,163,790	50,988,959

33 Finance income

	2024 RO	2023 RO
Bank interest income	11,061,224	14,168,253
Interest income on interest rate swap	2,960,149	4,065,889
Interest earned on subordinated deposits	-	10,424
	14,021,373	18,244,566

34 Taxation

	2024 RO	2023 RO
Income tax expense		
- Current year	705,584	481,181
- Prior year	-	-
	705,584	481,181
Deferred tax expense		
- Change in recognised deductible temporary difference	17,719	131,331
- Prior year	6,185,757	(2,310,524)
	6,909,060	(1,698,012)
Non-current assets		
Deferred tax asset	807,991	6,993,748

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34 Taxation (continued)

Taxation represents the aggregate of the Omani income tax applicable to Group companies in accordance with Omani fiscal regulations. The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly, each legal entity is taxable separately.

The majority of subsidiaries of ASC are not subject to Omani income tax law as they are not incorporated in Oman. The following subsidiaries are subject to various exemptions from the Omani income tax law and have not, therefore, provided for any tax liability.

Company	**Exemption**
NFC	Exempt from tax per Ministerial Decision 278/2010 on revenue arising from its main activity of marine transportation.
SFZ	Exempt from tax for 30 years per Article 3 of Royal Decree 56/2002
ODC	Exempt due to head office being in a free zone

In the remaining majority of the subsidiaries no provision for taxation has been made in the current year in view of carried forward tax losses from prior years. Tax losses are available for set off against future profits earned within a period of five years from the respective year in which the loss was incurred.

The Group's subsidiaries registered in the republic of Marshall Islands, are exempt from tax on their income arising from owning, chartering and operating Marshall Islands registered vessels as per Marshall Islands fiscal regulations. However, some of the Group's subsidiaries are subject to tax tonnage on vessel and other than payment of registry fee, the subsidiaries are not bound to pay any further tax.

	2024	2023
	RO	RO
Unused tax credits on which no deferred tax asset has been recognised	**190,774,832**	190,774,832
Potential tax benefit @15%	**28,616,225**	28,616,225

The reconciliation of tax on the accounting profit to tax charge in the consolidated statement of profit or loss is given below. The applicable rate of tax is 15% (2023 - 15%).

	2024	2023
	RO	RO
Profit before tax	**55,927,952**	45,161,330
Tax on accounting profit before tax @ 15% (2023 - 15%)	**8,966,693**	6,774,200
Less: tax effect of:		
Tax disallowances	**(3,747,313)**	(9,990,547)
Tax effect of subsidiaries' results not subject to taxation	**1,689,680**	1,518,335
	6,909,060	(1,698,012)

As at 31 December 2024, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the corresponding regulations/ clarifications were yet to prescribed.

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15%. The deferred tax asset in the statement of financial position and net deferred tax credit in the consolidated statement of comprehensive income are attributable to the following items:

31 December 2024	**At 1 January 2024**	**Charged / (reversed) for the year**	**At 31 December 2024**
	RO	**RO**	**RO**
Tax effect of accelerated depreciation	**171,064**	**11,830**	**182,894**
Provision for investment in an associate	**(116,243)**	**-**	**(116,243)**
Provision for investment in joint ventures	**(391,403)**	**(40,847)**	**(432,250)**
Provision for settlement of JV claims	**(3,628)**	**-**	**(3,628)**
Other provisions	**(439,973)**	**79,662**	**(360,311)**
Loss allowance for financial assets	**(15,772)**	**(36,285)**	**(52,057)**
Carried forward tax losses	**(6,197,793)**	**6,171,397**	**(26,396)**
Net deferred tax asset	**(6,993,748)**	**6,185,757**	**(807,991)**

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34 Taxation (continued)

31 December 2023	At 1 January 2023 RO	Charged / (reversed) for the year RO	At 31 December 2023 RO
Tax effect of accelerated depreciation	110,638	60,426	171,064
Provision for investment in an associate	(116,243)	-	(116,243)
Provision for investment in joint ventures	(391,403)	-	(391,403)
Provision for settlement of JV claims	(116,134)	112,506	(3,628)
Other provisions	(154,127)	(285,846)	(439,973)
Loss allowance for financial assets	(9,230)	(6,542)	(15,772)
Carried forward tax losses	(4,006,725)	(2,191,068)	(6,197,793)
Net deferred tax asset	(4,683,224)	(2,310,524)	(6,993,748)

35 Fair value of assets and liabilities

Fair value versus carrying amounts

The fair values of other financial assets at amortised costs is close to the carrying value because of the short term nature of the financial assets; except for finance lease receivables, which are long term in nature and are exposed to fair valuation risk due to variability in underlying interest rate. The fair value of loans receivable approximates to their carrying value due to no significant difference between the current market interest rates when compared with the interest rates on which the loans were extended.

(a) Fair value measurements recognised in the statement of financial position

Recurring fair value measurements At 31 December 2024	**Fair value Level 3 RO**
Financial assets	
- Financial assets at fair value through other comprehensive income (FVOCI)	101
- Derivative financial instruments	1,864,313
	1,864,414
Financial liabilities	
- Derivative financial instruments	17,899
- Interest bearing loans and borrowings	717,923,900
Total financial liabilities	**717,941,799**

Recurring fair value measurements At 31 December 2023	Fair value Level 3 RO
Financial assets	
- Financial assets at fair value through other comprehensive income (FVOCI)	101
- Derivative financial instruments	4,485,357
	4,485,458
Financial liabilities	
- Derivative financial instruments	17,899
- Interest bearing loans and borrowings	775,548,601
Total financial liabilities	775,566,500

(b) Fair value hierarchy

Type	**Valuation technique**	**Significant unobservable inputs**
Derivative financial instruments (Interest rate swaps)	Market comparison technique: fair value is calculated by the respective financial institutions.	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

There were no transfers between the levels during the current as well as the previous year.

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36 Proposed and paid dividends

The Board of Directors has proposed a cash dividend of RO 0.036 (2023 – RO 0.053) per share totalling to amount of approximately RO 16,449,740 million (2023 – RO 17,802,223) for the year ended 31 December 2024, which is subject to approval by the shareholders at the forthcoming Annual General Meeting.

37 Subsequent Event

The Company is in the process of listing its subsidiary, Asyad Shipping Company SAOC, on the Muscat Stock Exchange, with the target listing date in Q1 2025. The IPO is expected to support the Company's future growth initiatives. The final offering size, structure, and regulatory approvals are in progress as of the reporting date.

Moreover, The Company has initiated the liquidation process for its investment in Oman Road and Transport Management Company LLC. The liquidation is expected to be completed in Q1 2025, and the financial impact, including any gains or losses, will be recognized in the next reporting period. Management does not anticipate a material impact on the Company's financial position.

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