A'SAFFA FOODS S.A.O.G.

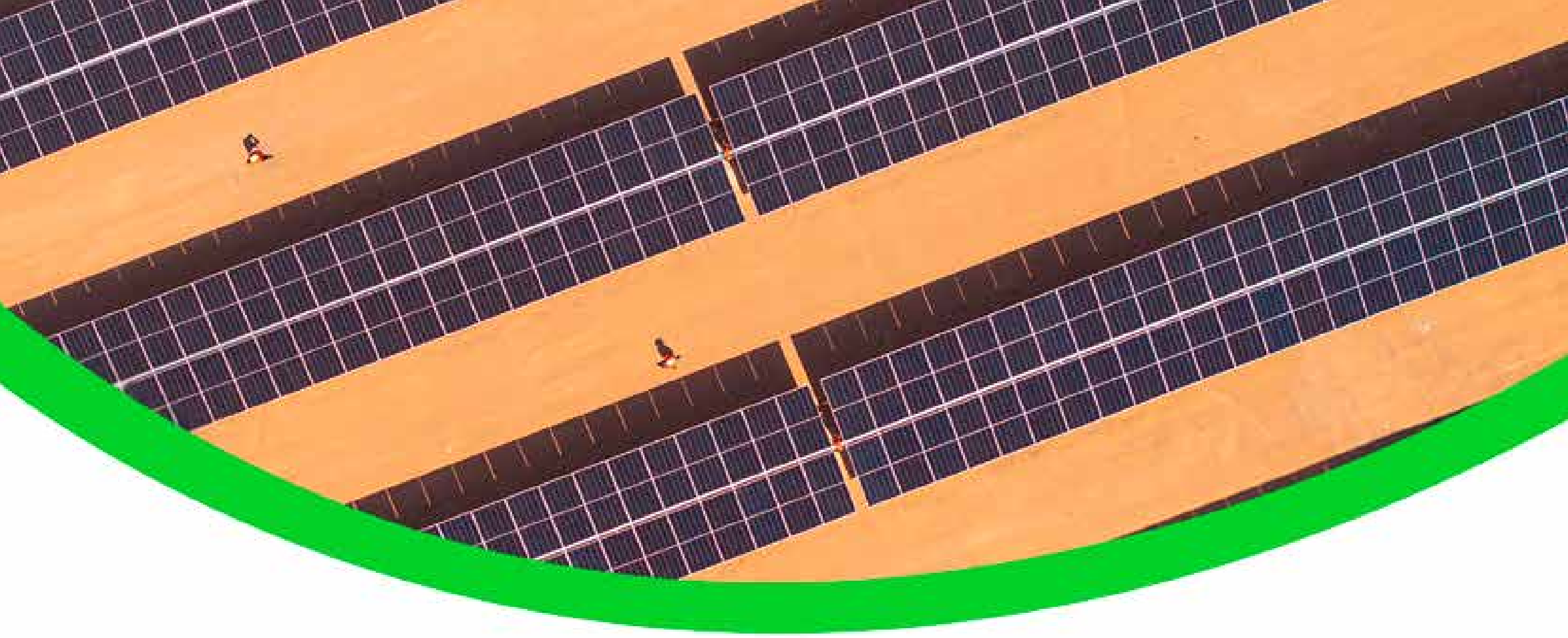
الصفاء للأغذية ش.م.ع.ع

الصفاء A'SAFFA

ANNUAL REPORT
2024

asaffa_foods

HIS MAJESTY SULTAN HAITHAM BIN TARIK



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ABOUT US

A'Saffa Foods SAOG is located in Thumrait, one of the cities of Dhofar Governorate in the Sultanate of Oman. Here our poultry is naturally fed and slaughtered by hand. It is 100% natural, halal, and completely safe. It's all part of our efforts to give you the most natural products possible – with the assurance that A'Saffa is your healthy, delicious, and all-Omani option.

VISION

To become NO.1 and most successful diversified food company in the Middle East

MISSION

To earn the loyalty of our customers by providing them with high quality healthy, hygienic, halal, safe, pure, and delicious food.

To be proactive in increasing the value of our shareholders' investments by increasing sales, controlling costs, and managing resources wisely.

To participate and provide solutions to achieving food security and self-sufficiency in the region

To build a satisfied and loyal customer base by constantly exceeding their expectations

Twenty Years Anniversary Celebration

حفل مرور 20 عام

BOARD OF DIRECTORS

Eng. Ali Hilal Ali AlKuwari
Chairman

Mr. Asim Salim Ali AlGhailani
Director

Ms. Areej Muhammad Ibrahim AlKulaib
Director

Mr. Qais Abdullah Moosa AlKharusi
Vice Chairman

Mr. Hashim Said Nasser Al Maskaryi
Director

Mr. Al Noubay Salem Al Adbi
Director

Ms. Radhiya Mohammed Al-Mahrouqi
Director

AUDITORS

KPMG

INTERNAL AUDITOR

Mr. Kevin Frank D'Souza

BANKERS

BANK MUSCAT SAOG
Meethaq Islamic Banking

ALIZZ ISLAMIC BANKING SAOG

BANK DHOFAR SAOG
Dhofar Islamic

OMAN ARAB BANK SAOC

NATIONAL BANK OF OMAN SAOG
Muzn Islamic Banking

REGISTERED OFFICE

PO Box 458, PC 211, Salalah,
Sultanate of Oman

LEGAL CONSULTANTS

Zaid Al-Malki Advocacy & Legal Consultancy

PRINCIPAL PLACE OF BUSINESS

P.O Box: 3436, PC: 112, Ruwi,
Sultanate of Oman
Tel: +968-22360250
Email: contact@asaffa.com
www.asaffa.com

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to welcome you to the 23rd Annual General Meeting of your company and present the Director's Report and the Audited Financial Statements for the year ended 31st December 2024.

BUSINESS PERFORMANCE 2024

It gives me great pleasure to inform you that your company has consistently demonstrated growth across all of its business activities. In 2024, sales reached RO 63.951 million, up from RO 53.851 million in the year 2023, reflecting a strong increase of 18.75%. Furthermore, the company achieved a consolidated net profit of RO 5.90 million in 2024, compared to RO 2.59 million in the previous year, representing a remarkable 128% growth in profitability.

This impressive improvement is a direct result of the company's continued focus on dynamic sales strategies, production optimization, quality control, customer service excellence, cost management, and efficient fixed cost utilization, all while capitalizing on a diversified product portfolio.

FINANCIAL PERFORMANCE REVIEW 2024

The summary of the financial results achieved during 2024 are as follows :

	Parent Company			Group		
	2024	2023	%	2024	2023	%
Revenue	**64,966,142**	54,697,765	19%	**63,951,877**	53,851,659	19%
Gross Profit	**16,726,174**	13,851,404	21%	**17,809,997**	14,627,339	22%
Profit Before Tax	**6,577,841**	3,033,724	117%	**6,833,430**	3,321,734	106%
Net Profit	**5,722,337**	2,488,270	130%	**5,901,738**	2,589,992	128%

SUBSIDIARIES

A'Saffa Food Processing SPC

A'Saffa Food Processing SPC achieved the sales of RO 5,687,461/- during the year 2024 as compared to RO 4,946,383/- in the year 2023 and net profit of RO 772,030/- during the year 2024 as compared to RO 607,857/- in the year 2023.

CELEBRATING 20 YEARS OF EXCELLENCE

A'Saffa proudly celebrated a significant milestone on July 24, 2024 - its 20th Anniversary since the inception of production operations. From humble beginnings, the company has grown into a household name, recognized for its quality products and commitment to excellence. Over the past two decades, A'Saffa has expanded its product offerings and solidified its market presence, driven by an unwavering dedication to customer satisfaction, innovation, and sustainability.

Throughout the years, we have remained focused on advancing our operations, investing in cutting-edge technology, and adhering to the highest industry standards. Our 20th Anniversary is not only a reflection of the passage of time but also the culmination of years of hard work, perseverance, and a shared vision that has propelled A'Saffa to new heights.

BROILER EXPANSION PROJECT

The demand for A'Saffa products is steadily increasing in the market, and the company is currently operating at full capacity. To meet this growing demand, additional production volume is required. In response, the Board of Directors has approved an expansion plan in December 2024 aimed at increasing the annual capacity for broiler chicken production from 48 million birds to 60 million birds.

This strategic expansion is designed to enhance A'Saffa's ability to meet the rising market demand, while simultaneously improving production efficiency and reducing operational costs. The project will involve both expanding and optimizing existing facilities. Ultimately, this growth will not only bolster the company's capacity to serve the market but also contribute to an increased market share and a stronger competitive position within the poultry sector.

SOLAR PROJECT

It is also a pleasure to inform the Shareholders that the 7-megawatt Solar project commenced operations in July 2024. This initiative aligns with the objectives of Oman Vision 2040, which emphasizes environmental sustainability and reducing dependence on traditional energy sources. The project aims to achieve these goals by transitioning to renewable energy, improving energy efficiency, and lowering the company's carbon footprint.

This solar project reflects A'Saffa's commitment to the sustainable use of natural resources, investing in innovative solutions, and supporting technologies that help preserve Oman's resources while contributing to a green economy.

OUR COMMITMENT TO SHAREHOLDERS

The company maintains the principle of sustainable development, taking into consideration the growing demand for food in the region. The objective of our work is to take business decisions that lend credibility to our social, economic and environmental responsibilities and to realise Oman's vision of food security in the country.

DIVIDEND

Considering the guidelines issued by the Financial Services Authority, the liquidity requirements for the operational needs, the Board proposes distributing a cash dividend to the Shareholders.

Taking into account the financial performance of the Group, the Board recommends to distribute dividend equal to 20 Baiza per share amounting to RO 2,400,000 of the face value of RO 0.100, to the Shareholders registered as on the date of Annual General Meeting.

DIRECTORS REMUNERATION

The Board of Directors recommends to the Shareholders at the Annual General Meeting to approve the total Directors' remuneration of RO 250,000 to be paid to the Board of Directors, in recognition and appreciation of their efforts towards their responsibilities and for their continuous inputs, guidance and support to the management.

OUTLOOK

The ongoing geopolitical situation and the continued disruptions in the Red Sea present a global risk to supply chains and trade flows, affecting the availability and transit times of containers, as well as driving price surges in commodities and goods. While Oman and the GCC have not been heavily impacted by this crisis thus far, the full impact on the global economy remains uncertain.

According to the economic outlook, domestic markets are expected to remain stable. A'Saffa will remain vigilant in managing risks through its well-established enterprise risk management function, ensuring that delivering high-quality products at competitive prices remains a top priority.

HUMAN RESOURCES

A'Saffa Foods gives great importance to its human resources and provide the training and skill development programs to enhance their competence. The company recruits suitably qualified personnel and engages them in a motivational working environment, which reflects on the company's performance.

CORPORATE GOVERNANCE

The company is committed to adhere to the Corporate Governance rules for Shareholders, employees, consumers and the society as a whole to ensure its sustainable success. A separate report on compliance to the Code of Governance for MSX listed companies is enclosed.

CORPORATE SOCIAL RESPONSIBILITY

A'Saffa Foods is deeply committed to its social responsibilities and actively supports community-related events and initiatives, recognizing that it is an integral part of society. The company's Corporate Social Responsibility (CSR) activities are overseen by its dedicated CSR Committee.

In line with its commitment to social responsibility, the Board of Directors approved an allocation of RO 50,000 in the year 2024 to support a variety of humanitarian and charitable causes. This allocation was distributed donating RO 10,000 to assist those affected by the damage caused by Tropical Storm Al Matter in Oman in April 2024; RO 15,000 to the Association for the Welfare of Handicapped Children; RO 15,000 to the Dar Al Ata Association; and RO 10,000 allocated to support other charitable initiatives.

The company previously established a fund in collaboration with the office of the Minister of State and Governor of Dhofar. A committee, consisting of government representatives and one A'Saffa delegate, has been formed to oversee the management of the fund.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and myself, I would like to extend our sincere thanks to the Shareholders, Financial Institution, Customers, business associates, and the management and staff for their continued support to the company.

I would also like to thank the Ministry of Agriculture, Fisheries Wealth & Water Resources, Ministry of Commerce and Industry, Ministry of Finance for their great support to the company.

We would like to extend our sincere gratitude to His Majesty Sultan Haitham bin Tarik bin Taimour Al Said for his wise guidance in achieving sustainable development in the country.

Eng. Ali Hilal Ali Al Kuwari
Chairman

ANNEXURE TO DIRECTOR'S REPORT

RELATED PARTY TRANSACTIONS

The related party transactions for the year ended December 31, 2024 are as follows:

Related Party Transactions – 2024			
Sl.	Name of Directors / Company / Major Promoter /Shareholder	Nature of transaction	Amount (RO)
1	A'Saffa Food Processing SPC	Sale of Poultry Meat	980,711
2	A'Saffa Food Processing SPC	Purchase of further processed products	5,668,953
3	A'Saffa Food Processing SPC	Rental Service	51,841
4	Al Meera Markets SAOC	Sale of Poultry Meat & Further Processed Meat Products	510,677
5	Osool Poultry SAOC	Purchase of Hatching Eggs	4,358,707
6	Osool Poultry SAOC	Sale of Feed raw material	3,071,145
7	Mazoon Dairy Company SAOC	Rental Service	45,381
8	Shell Oman Marketing Company SAOG	Purchase of Fuel	840,525
		Total RO	15,527,940

The following are the related party transactions expected in the year 2025 :

Related Party Transactions – 2025			
Sl.	Name of Directors / Company / Major Promoter /Shareholder	Nature of transaction	Amount (RO)
1	A'Saffa Food Processing SPC	Sale of Poultry Meat	1,700,000
2	A'Saffa Food Processing SPC	Purchase of further processed products	6,000,000
3	Al Meera Markets SAOC	Sale of Poultry Meat & Further Processed Meat Products	700,000
4	Osool Poultry SAOC	Purchase of Hatching Eggs	5,500,000
5	Osool Poultry SAOC	Sale of Feed raw material	2,000,000
6	Mazoon Dairy Company SAOC	Rental Service	100,000
7	Shell Oman Marketing Company SAOG	Purchase of Fuel	1,000,000
8	Ahli Bank SAOG	Banking Services	125
		TOTAL RO	17,000,125

ANNEXURE TO DIRECTOR'S REPORT

SITTING FEE DETAILS

Sitting Fees paid to the members of the Board of Directors for attending the Board and its Committees meetings.

1. 1. Financial year ended 31/12/2024

In the financial year ended 31/12/2024, sitting fees was paid to the members of the Board of Directors for attending Board or Board Committees Meetings, as detailed below :

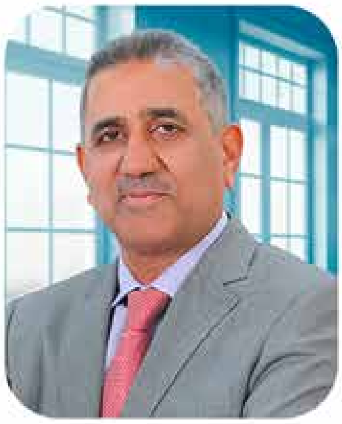
Name of the Directors	No. of Board Meeting/s Attended	No. of Audit Committee Meeting/s attended	No. of Nomination and Remuneration Committee Meeting/s attended	Amount ((RO
Eng. Ali Hilal Ali Al Kuwari	5	-	4	6,300
Mr. Qais Abdullah Moosa Al Kharusi	5	-	4	6,300
Mr. Asim Salim Ali AlGhailani	5	-	4	6,300
Mr. AlNoubay Salem H A Aladbi	4	5	-	6,300
Ms. Areej Muhammad Ibrahim AlKulaib	5	-	4	6,300
Ms. Radhiya Mohammed Al-Mahrouqi	5	5	-	7,000
Mr. Hashim Said Nasser Al Maskary	5	5	-	7,000
			TOTAL RO	**45,500**

2. For the Year 2025 : The Chairman of the Board and Members of Board and Sub-Committees are eligible for sitting fee @ RO 700/- per meeting for Board and Committee meetings.

SENIOR MANAGEMENT TEAM

Eng. Mohamed Suhail Al Shanfari
Chief Executive Officer

Mr. Hamdoon Abdullah Al Suqri
Chief Commercial Officer



Mr. Muhammad Rafique Chaudhry
Chief Financial Officer

Mr. Yasir Abdullah Al Salmani
Deputy Chief Financial Officer

Dr. Chenna Reddy Seernam
Senior Operations Manager

MANAGEMENT DISCUSSION & ANALYSIS REPORT

RESULTS OF OPERATION FOR THE YEAR 2024

In 2024, A'Saffa proudly celebrated its 20th Anniversary since the inception of production operations. This year marks two decades of dedication, growth, and resilience. It is with great pride that we reflect on our achievements and the significant strides we have made in building a strong foundation for continued success. Along with the milestone celebration, A'Saffa has delivered outstanding financial results in 2024, with a notable increase in net profits, reaffirming our position as a leader in the poultry industry.

Through strategic initiatives, operational efficiency, and a commitment to excellence, our organization has delivered a decent performance. These achievements reflect the collective efforts of our team, the trust of our stakeholders, and the effectiveness of our long-term vision. As we progress, we remain focused on building upon this success, reinforcing our position in the market, and setting the stage for even greater accomplishments in the future.

The company's performance in the last 5 years is shown below :

Years	Sales	Net Profit /(Loss) before loss of Associate & tax
2024	RO 64,966,142	RO 5,859,571
2023	RO 54,697,765	RO 3,462,277
2022	RO 55,750,718	RO 863,625
2021	RO 38,418,282	RO (3,205,254)
2020	RO 30,008,465	RO 1,368,181

OUTLOOK

We are inspired by our achievements so far, confident in our capabilities, aware of the challenges ahead of us and optimistic of the future. Looking ahead, a key focus will be to set and implement the direction for the next phase of growth and improve our returns. We are conscious where our growth opportunities are and where our efforts and investments need be made.

As we move forward in our journey towards further enrichment and growth, we commit ourselves once again towards the health and well-being of every household and to the task of bringing more smiles to the faces of our employees, shareholders, suppliers and consumers.

KEY STRENGTHS OF A'SAFFA

Economies of Scale and Integration

- Fully integrated poultry project.
- Parent farms to ensure consistency in production and quality.
- Location is ideally suitable for poultry farming.
- No threat for any contagious diseases because of ideal isolated location.
- Good quality of the products.
- Very well established Brand Image.
- Economically viable project size.

The major strength of the company lies in its ability to deliver quality product to its customers resulting in considerable customer satisfaction and delight and importantly in the challenging times ahead, a strong customer loyalty.

Market Penetration & Image

A'Saffa has been able to make great market penetration and created the Brand Awareness in Oman and other GCC countries.

The well thought decision to start direct distribution in all over Oman resulted in greater penetration in the local market which helped in achieving the better results.

The significant advantage that the company enjoys is its consistent production of large quantities of Farm Fresh Chickens everyday assuring the customers continuous supply, ready availability, fresh product, Real Halal and high quality product. Delivery "on time, every time" has been our mission and consumer's delight our motto.

"A'Saffa's continued success demonstrates that our Plan to Win works in any environment and has positioned us to continue our performance."

We believe growth comes from enhanced marketing for our brands and product portfolio and, even more importantly, from driving growth engines that leverage the power of our brands.

People and Technical Expertise

The company has employed highly experienced management staff in all areas of operations. It is continuously imparting training at all levels including Omanis. The Company is also committed to developing the available local Omani workforce around Wilayat Thumrait. The company has a very good management team and technical expertise to effectively run the company.

THREATS & WEAKNESSES

- The Company operates in an industry characterized by high raw material content. The international prices of raw materials are volatile and can potentially have a significant impact on the Company's profitability. The management takes steps to actively monitor and manage these price fluctuations and mitigate the price risk.
- The threat of Bird flu outbreak in some European countries can affect our breeder day old chick importation.
- High influx of cheap imported products.

OPPORTUNITIES

- Capability to produce product mix to enhance the margins and profitability.
- To meet the ever growing demand for A'Saffa products and the opportunity to increase the scale of production exists.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a good system of internal control comprising authority levels and powers, supervision, checks and balances, policies and procedures. The system is reviewed and updated on an ongoing basis. On an annual basis, the Board approves a business plan and budget for the management to adhere to.

CONCLUSION

Financial year 2024 was a challenging year for all of us at A'Saffa Foods SAOG. But what is most rewarding to me is how we have positioned the Company for the future.

We look forward to building on the momentum we generated during the years and addressing our many opportunities, including our most important one: generating value for our Shareholders.

Executive Management

KPMG

KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

Private and confidential
Our ref: aud/ab/sh/19817/25

Agreed-upon procedures on Code of Corporate Governance ("the Code") of A' Saffa Foods SAOG

To the Board of Directors of A' Saffa Foods SAOG

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting A' Saffa Foods SAOG for submission of agreed upon procedures report on the compliance with the Code of Corporate Governance (the "Code") to Financial Services Authority ("FSA") (formerly Capital Market Authority) to assist in compliance of requirements prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 (together the "Governance Code") and may not be suitable for another purpose. This report is intended solely for A' Saffa Foods SAOG and the intended users and should not be used by, or distributed to, any other parties.

Responsibilities of A' Saffa Foods SAOG

The Board of Directors has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Management of A' Saffa Foods SAOG is responsible for the accuracy and completeness of the subject matter on which the agreed-upon procedures are performed.

Practitioners' Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with A' Saffa Foods SAOG, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Practitioners' Responsibilities (continued)

Professional Ethics and Quality Management

We have complied with the relevant ethical requirements including independence requirements of International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethical Standards Board for Accountants.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with A' Saffa Foods SAOG in the terms of engagement dated 19 February 2025, on the compliance with the Code:

S. No	Procedures	Findings
(a)	We checked that the corporate governance report (the report) issued by the Board of Directors includes as a minimum, all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code by comparing the report with such suggested content in the Annexure 3	No exceptions noted.
(b)	We obtained the details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2024. With respect to procedure above, we inquired from and obtained written representation from management and those charged with governance for non-compliance with the Code for the year ended 31 December 2024.	No non-compliance with the Code noted during the year.

This report relates only to the items specified above and does not extend to the Company's financial statements taken as a whole.

KPMG

KPMG LLC
Date: 23 February 2025
Muscat, Oman

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

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CORPORATE GOVERNANCE REPORT

1. CORPORATE PHILOSOPHY

The Corporate Governance philosophy of A'Saffa Foods SAOG ("the Company") aims at corporate fairness and is committed to the business integrity. As part of this commitment; the Board supports the highest standards of corporate governance and promotes a culture of compliance, transparency and accountability. The objective of Corporate Governance is to enhance the value and maximize interest of stakeholders, which in turn will lead to corporate growth.

2. BOARD OF DIRECTORS

a. Role & Functions

The Board of Directors play a leading role within the organization in developing the Company's strategies and objectives, while ensuring and monitoring the effectiveness of internal controls.

b. Appointment of Directors

The Articles of Association of the Company provide for 7 Directors. The Directors are appointed every three years, for a term of three years as per Company Articles of Association, in the Annual General Meeting as per procedures laid down by Financial Services Authority (FSA). The current Board of Directors were elected by the shareholders in the Annual General Meeting held on March 21, 2023, and their term will last until March 21, 2026.

c. Composition of the Board of Directors

All the members of the Board have considerable expertise.

The Board comprises of seven members, two of the Directors are Non-Independent and five of them are Independent Directors. None of the Directors is a member of the Board of more than four public joint stock companies whose principle place of business is in the Sultanate of Oman (or) is a Chairman of more than two such companies.

The complete list of Board members is as follows :

SI.	Name of Directors	Position	Category	Details of Directorship in other SAOG/SAOC Companies in Oman
1.	Eng. Ali Hilal Ali Al Kuwari	Chairman	Non-Executive and Non-Independent	1. Chairman, Al Meera Markets SAOC, Oman. 2. Chairman, Al Meera Oman SAOC.
2.	Mr. Qais Abdullah Moosa Al Kharusi	Vice Chairman	Non-Executive and Non-Independent	1. Chairman, Mazoon Dairy Company SAOC. 2. Director, Ahli Bank SAOG. 3. Director, Aasaal International Investment SAOC.
3.	Mr. Asim Salim Ali AlGhailani	Director	Non-Executive and Independent	1. Director, A'Sharqiya Investment Holding Co. SAOG. 2. Director, Unital Gulf Energy Resources SAOC. 3. Director, Arabian Industries SAOC. 4. Director, National Drilling Services SAOC 5. Director, National University of Science & Technology SAOC

Sl.	Name of Directors	Position	Category	Details of Directorship in other SAOG/SAOC Companies in Oman
4.	Mr. AlNoubay Salem H A Aladbi	Director	Non-Executive and Independent	None
5.	Ms. Areej Muhammad Ibrahim AlKulaib	Director	Non-Executive and Independent	None
6.	Ms. Radhiya Mohammed Al-Mahrouqi	Director	Non-Executive and Independent	Director, Shell Oman Marketing Company SAOG
7.	Mr. Hashim Said Nasser Al Maskaryi	Director	Non-Executive and Independent	None

d. Number of Board Meetings

During the year 2024, five Board meetings were held as under:

Board Meeting 1/2024	February 29, 2024
Board Meeting 2/2024	April 25, 2024
Board Meeting 3/2024	July 23, 2024
Board Meeting 4/2024	October 27, 2024
Board Meeting 5/2024	December 8, 2024

e. Director's Attendance Record

Name of the Directors	No. of Meetings held	No. of Meetings attended	Whether attended last AGM
Eng. Ali Hilal Ali Al Kuwari	5	5	Yes
Mr. Qais Abdullah Moosa Al Kharusi	5	5	Yes
Mr. Asim Salim Ali AlGhailani	5	5	Yes
Mr. AlNoubay Salem H A Aladbi	5	4	Yes
Ms. Areej Muhammad Ibrahim AlKulaib	5	5	Yes
Ms. Radhiya Mohammed Al-Mahrouqi	5	5	Yes
Mr. Hashim Said Nasser Al Maskaryi	5	5	Yes

f. Related Party Disclosure

Details of all commercial and financial transactions where Directors have potential interest are provided to the Board. All related party transactions have been effected without any preferential advantage accruing to any related party concerned.

The nature of significant related party transactions and the amounts involved during the year 2024 were as follows :

Description	Year 2024 (RO)
Purchase of further processed products	5,668,953
Sale of Poultry Meat	1,491,388
Purchase of Hatching Eggs	4,358,707
Sale of Feed Raw Material	3,071,145
Rental Service	97,222
Purchase of Fuel	840,525
Total RO	**15,527,940**

g. Committees of the Board

The Board has the following two committees, whose objectives, powers and procedures are approved by the Board.

i) Audit Committee

The Audit Committee of the Company comprising of three members who are also Directors on the Board was reconstituted by Board on March 21, 2023. Ms. Radhiya Mohammed Al-Mahrouqi is an Independent Director and she is the Chairman of the Audit Committee. The other two members are Independent Directors Mr. AlNoubay Salem H A Aladbi & Mr. Hashim Said Nasser Al Maskaryi having rich experience in Business Management and Internal Controls.

The Audit Committee reviews the financial accounts/policies, adequacy of internal control systems, interacts with the statutory Auditors and Internal Auditors. The CEO and other functional heads were invitees to the Audit Committee meetings. The Audit Committee reviews the audit plans, audited and un-audited financial results, observation of the internal and external auditors. During the year 2024, the Audit Committee met five (5) times. The Minutes of the Meetings of Audit Committee are reviewed by the Board of Directors.

During the year 2024, five Audit Committee meetings were held as under:

Audit Committee Meeting 1/2024	February 28, 2024
Audit Committee Meeting 2/2024	April 22, 2024
Audit Committee Meeting 3/2024	July 18, 2024
Audit Committee Meeting 4/2024	October 24, 2024
Audit Committee Meeting 5/2024	December 1, 2024

Name of the Directors	No. of Meetings held	No. of Meetings attended
Ms. Radhiya Mohammed Al-Mahrouqi	5	5
Mr. AlNoubay Salem H A Aladbi	5	5
Mr. Hashim Said Nasser Al Maskaryi	5	5

ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of four Directors and is headed by the Chairman of the company, Eng. Ali Hilal Ali Al Kuwari. The Board constituted "Nomination and Remuneration Committee" to assist and advise the Board on matters relating to the remuneration of the Board, and the performance and remuneration of Executive management, along with assisting on nomination of Directors and Senior Executive Management.

The Nomination and Remuneration Committee meets at periodical intervals as needed and the objective of the Nomination and Remuneration Committee is to discharge responsibilities on behalf of the Board in deciding specific policy matters and business matters.

Major decisions and contracts are awarded within the approved mandate by the Nomination and Remuneration Committee who is authorized by the Board of Directors to take such decisions and award. They also look into Policies & Procedure and Manpower Plan and the Budget estimates. Besides they recommend Board of Directors on matters in which the Board of Directors have to take decision/give approval.

During the year 2024, four meetings of the Nomination and Remuneration Committee held as under :

Nomination and Remuneration Committee Meeting 1/2024	February 15, 2024
Nomination and Remuneration Committee Meeting 2/2024	July 14, 2024
Nomination and Remuneration Committee Meeting 3/2024	October 22, 2024
Nomination and Remuneration Committee Meeting 4/2024	November 28, 2024

Name of Directors	No. of Meetings held	No. of Meetings attended
Eng. Ali Hilal Ali Al Kuwari	4	4
Mr. Qais Abdullah Moosa Al Kharusi	4	4
Mr. Asim Salim Ali AlGhailani	4	4
Ms. Areej Muhammad Ibrahim AlKulaib	4	4

3. REMUNERATION OF DIRECTORS AND TOP 5 MANAGERS

a) The Chairman of the Board and Members of the Board of the Company are eligible for sitting fee at RO 700/- per meeting for Board and Committee meetings.

b) Directors sitting fees paid for the year 2024 was RO 45,500. Directors' travelling and related cost to attend the meetings during the year was RO 10,840. Moreover the Directors remuneration recommended for the year 2024 was RO 250,000/-.

c) Basic salary, allowances, bonuses and perquisites paid to top five employees in the year 2024 amounted to RO 396,018/- which is fully a fixed component and bonus based on the company performance, and RO 8,889 /- was paid for business related travel expenses. Gratuity charge for the year 2024 for Expatriate Key Management Staff RO 26,709/- and Social Insurance (PASI) charge for the year 2024 for Omani Key Management Staff RO 13,500/-.

d) The company enters into a contract of employment with each employee and such contracts are in line with regulations of Ministry of Labour.

4. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

a) The notice to the Shareholders for the Annual General Meeting including the details of the Related Party transactions, Directors' Report and the Audited Accounts is filed with FSA and communicated to Shareholders through Muscat Clearing and Depository Services SAOC (MCD).

b) The Quarterly results of the company as per FSA format are prepared by the management for every quarter, reviewed by the Audit Committee, approved by the Board, published on the website of Company, Muscat Stock Exchange (MSX) and also published in the Newspapers as per the directives of FSA.

c) Important Board decisions are disclosed to investors through MSX from time to time.

d) The Management Discussion and Analysis Report forms part of the Annual Report.

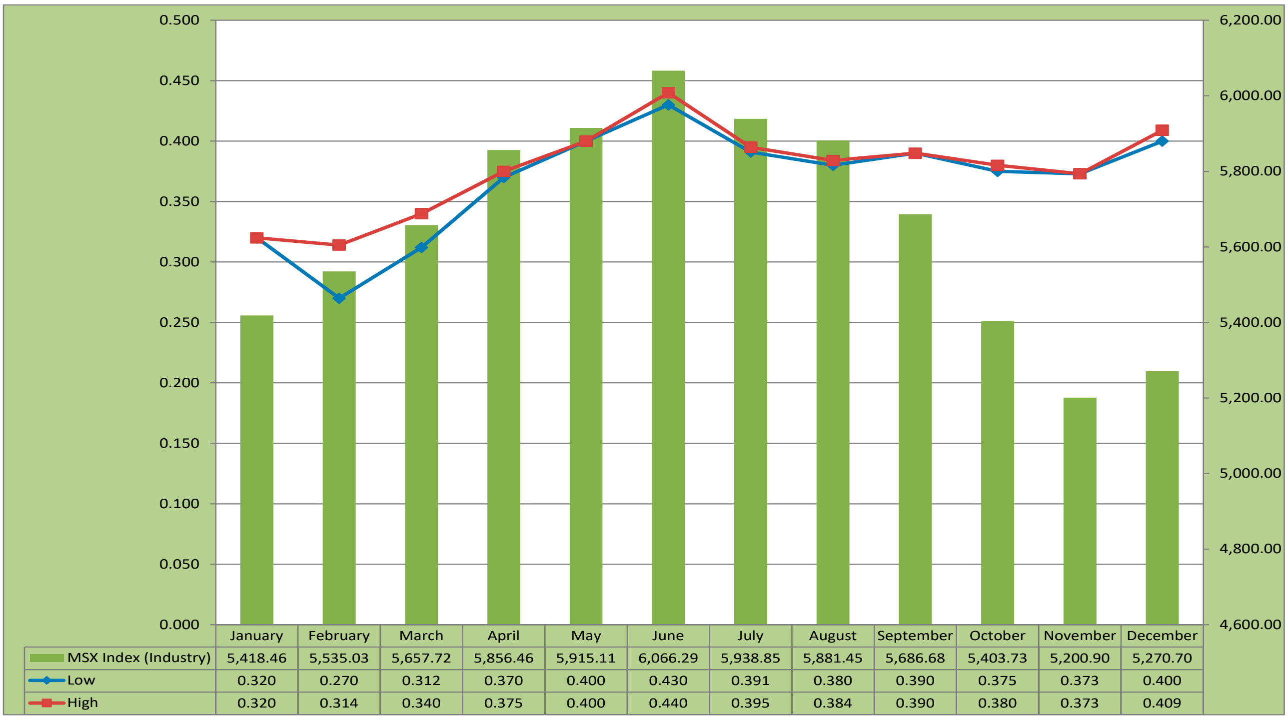
e) Cash Dividends declared by the Company is electronically transferred to Investors' Account with MCD.

5. SHARE PRICE DATA

a) Details of share price movement during the year ended 31st December 2024 are furnished below:

Period (Month, 2024)	High	Low	Volume
January	0.320	0.320	189,655
February	0.314	0.270	24,444
March	0.340	0.312	138,066
April	0.375	0.370	2,870,626
May	0.400	0.400	12,253,999
June	0.440	0.430	375,610
July	0.395	0.391	118,369
August	0.384	0.380	506,446
September	0.390	0.390	272,870
October	0.380	0.375	88,468
November	0.373	0.373	86,393
December	0.409	0.400	274,537

MSX Industry Sector Index vs A'Saffa Foods SAOG in 2024 :



	January	February	March	April	May	June	July	August	September	October	November	December
MSX Index (Industry)	5,418.46	5,535.03	5,657.72	5,856.46	5,915.11	6,066.29	5,938.85	5,881.45	5,686.68	5,403.73	5,200.90	5,270.70
Low	0.320	0.270	0.312	0.370	0.400	0.430	0.391	0.380	0.390	0.375	0.373	0.400
High	0.320	0.314	0.340	0.375	0.400	0.440	0.395	0.384	0.390	0.380	0.373	0.409

b) Shareholders of the Company who own 5% or more of the Company's shares whether in their name or through a nominee account and the number of shares they hold are as follows:

Description	**2024**			**2023**
	%	**Number**	**%**	**Number**
Zulal Investment Company	33.249	39,898,654	33.249	39,898,654
Gulf Investment Corporation	20.007	24,008,666	20.007	24,008,666
Al-Hosn Investment Company SAOC	13.242	15,890,000	13.242	15,890,000
Al Watanyiah National United Engineering & Contracting Co. LLC	-	-	10	11,999,999
Salim International Investment Holding LLC	10	11,999,999	-	-
Public Authority for Social Insurance	-	-	8.875	10,650,504
Social Protection Fund	9.574	11,488,361	-	-

6. MEASURING BOARD PERFORMANCE

In accordance with the Fourth Principle of the Corporate Governance of Public Shareholding Companies issued by the Financial Services Authority, the Annual General Assembly meeting held on March 31, 2022 approved the appointment of an independent evaluator "Experts Chartered Accountants" to measure the performance of the Board according to the approved criteria in the said meeting which completed successfully during 2022.

7. STATUTORY AUDITORS

The Shareholders of the Company had appointed M/s. KPMG as the External Auditors of the company for the year ended 31st December 2024. A total fee to Statutory Auditors for the year 2024 is RO 42,500/- in respect of Statutory Audit and Review of Corporate Governance Report for A'Saffa Foods SAOG and its one Subsidiaries.

Professional profile of KPMG Statutory Auditors

KPMG LLC in Oman was established in 1974 and is part of KPMG Lower Gulf Limited. KPMG in Oman employs more than 160 people, amongst whom are five partners and five directors, including Omani nationals. KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. It operates in 143 countries and territories and have 270,000 people working in member firms around the world. KPMG Lower Gulf is part of KPMG International Cooperative's global network of professional member firms.

As per FSA regulations, the auditors of the company can hold office for a period of 4 consecutive years and the financial year 2024 was the second year.

8. INTERNAL AUDIT DEPARTMENT

The company's Internal Audit Department to carry out activities according to the Internal Audit Charter approved by the Audit Committee.

Mr. Kevin Frank is responsible for Internal Audit Department and holds a Degree in Bachelor of Science in Accountancy and a Certified Public Accountant (CPA) with 12 years of experience in internal audit and strategic risk management. Mr. Ali Hamed Al Rabaani is Assistant Auditor and holds BSC Degree in Accounting and having 10 years of experience in the Internal Audit department.

9. MEASURING AUDIT DEPARTMENT PERFORMANCE

In line with the Financial Services Authority (FSA) Decision 10/2018, International Professional Practices Framework (IPPF) and the duly approved Engagement Letter, External Quality Assessment of A'Saffa's Internal Audit Activity" was carried out by "Grant Thornton (External Quality Assessor)".

The External Quality Assessor has concluded that A'Saffa's Internal Audit Department generally conforms with the IIA's Standards for the Professional Practice of Internal Auditing and the IIA Code of Ethics and Article 27 of the FSA resolution no. 10/2018.

The above statement is in accordance with the requirements stated in Standard 1321 of IPPF and Article 27 of FSA resolution no. 10/2018. The phrase generally conforms means there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

10. DETAILS OF NON-COMPLIANCE BY THE COMPANY

There are no instances of non-compliance by the Company by way of penalties, strictures imposed on the Company by Financial Services Authority/Muscat Stock Exchange or any statutory authority on any matter related to capital markets during the last year.

11. EXECUTIVE MANAGEMENT

The Executive Management consists of persons having wide relevant experience in the industry:

Eng. Mohamed Suhail Said Al Shanfari is the Chief Executive Officer with 30 years of extensive experience in the field of animal development, including research, planning and implementation of projects related to livestock.

Mr. Muhammad Rafique Chaudhry, Chief Financial Officer with 41 years diversified experience in strategic financial and operation planning, designing corporate objectives and goals, monitoring project performance, performance analysis and corrective measures, financial and accounting activities of the project and business development.

Mr. Yasir Abdullah Rashid Al Salmani, Deputy Chief Financial Officer with 20 years of experience in Accounts, Financial planning, Audit, Budgeting & reporting. He is a graduate from National CEO Program and a member of Oman Business Forum.

Mr. Hamdoon Abdullah Said Al Suqri, Chief Commercial Officer with 27 years of experience in the meat and poultry industry, specializing in logistics, sales, and marketing. Proven track record of success in driving revenue growth, developing and implementing commercial strategies, and leading high-performing teams.

Dr. Chenna Reddy Seernam, Senior Operations Manager with 40 years of proven success in all aspects of poultry farm management. Possesses in-depth knowledge of breeding, feeding, housing, disease prevention, flock health, and operational optimization. Skilled leader with a strong track record of building and motivating high-performing teams to achieve exceptional results.

12. ACKNOWLEDGEMENT BY BOARD OF DIRECTORS

The Board of Directors acknowledges their responsibility in preparing the financial statements in accordance with the International Standards on Accounting and the relevant rules of the Sultanate of Oman.

The Board of Directors, based on the review of Audit Committee, believe that the financial statements are prepared in accordance with applicable standards and rules. The Board believes, based on the review of internal controls carried out by the audit committee, that the system of internal control is adequate to ensure compliance with laws and regulations.

Based on an examination of the internal audit work, discussion with management and scrutiny of previous management information, the audit committee have concluded that company's system of internal control have operated effectively during the year.

The Board has approved the budget of the company for the year 2025 and, on the strength of the budget and consideration of the expected cash flow, consider that the company will continue in operational existence for the foreseeable future.

Chairman of the Board

Chairman – Audit Committee

KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
Tel. +968 24 749600, www.kpmg.com/om

Independent auditors' report

To the Shareholders of A'Saffa Foods SAOG

Report on the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Opinion

We have audited the consolidated and parent company (separate) financial statements of A'Saffa Foods SAOG ("the Parent Company"), and its subsidiary ("the Group"), which comprise the consolidated and parent company (separate) statement of financial position as at 31 December 2024, the consolidated and parent company (separate) 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 and parent company (separate) financial statements present fairly, in all material respects, the consolidated and unconsolidated financial position of the Group and the Parent Company as at 31 December 2024, and their consolidated and unconsolidated financial performance and their consolidated and unconsolidated 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 and Parent Company (separate) Financial Statements* section of our report. We are independent of the Parent Company and the Group in accordance with 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 and parent company (separate) 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company (separate) financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company (separate) financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Continued on page 2

Continued from page 1

Valuation of biological assets

See notes 2 and 17 to the consolidated and parent company (separate) financial statements.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024, the Group had biological assets, comprising breeder birds, hatchery eggs and broiler birds (the "biological assets") with a carrying amount of RO 3 million. IAS 41 Agriculture requires biological assets to be measured at fair value less cost to sell. IAS 41 allows entities not to measure biological assets at fair value less costs to sell where quoted market prices are not available and alternative fair value measurements are determined to be clearly unreliable. Management measures the carrying amount of breeder birds by amortizing the total costs incurred during the rearing phase over the anticipated productive cycle due to the short rearing phase which is 25 weeks. There is no active market for breeder birds in Oman and no reliable fair value measurements have been identified by management. Hatchery eggs and broiler birds are valued at their fair value less cost to sell after considering various estimates relating to market prices of poultry at various points, estimated costs until the date of hatching and slaughter of birds, mortality rates, hatchability rates and processing loss. The assessment of the quantity of breeder, broiler birds and eggs at the reporting date requires management to make estimates to arrive at the closing quantity at the end of reporting period. We considered this to be a key audit matter because of the significant management estimates made and judgments applied in assessing the carrying amount and fair value of biological assets. Refer to notes 2 and 17 of the consolidated and parent company (separate) financial statements for the accounting policies and critical judgements.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the biological assets life cycle and processes followed. • Performed an assessment of the design and implementation of relevant controls related to the valuation of biological assets. • Assessed the methodology used by the Parent Company to determine the carrying amounts of broiler birds and hatchery eggs and tested on a sample basis the inputs/assumption/estimates used by the Parent Company including the production cycle, mortality rates, hatchability rates, process loss and market prices of fertilized egg and poultry at various points by comparing them with actual historical outcomes and past trends of such inputs/assumptions and estimates. • We agreed the costs incurred related to breeder birds during the rearing phase to supporting documentation on a sample basis. • We assessed both the method of amortization and the period of amortization of the costs capitalized to breeder birds. • Agreed the results of management's determination of the carrying amounts of the biological assets to the amounts reported in the financial statements. • With respect to the quantities of eggs, breeder and boiler birds, we have obtained an understanding and assessed the methodology used by management to determine the number of birds and eggs at the reporting date. • Assessed the disclosures in the consolidated and parent company (separate) financial statements related to biological assets in accordance with the requirement of relevant accounting standards.

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Other Information

Management is responsible for the other information. The other information comprises of the Board of Directors‘ Report, the Corporate Governance Report and Management Analysis Review but does not include the consolidated and parent company (separate) financial statements and our Auditors’ report thereon.

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

In connection with our audit of the consolidated and parent company (separate) 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 and parent company (separate) 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 and Parent Company (Separate) Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company (separate) financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority (formerly the Capital Market Authority) and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company (separate) financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are responsible for overseeing the Group’s and the Parent Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company (separate) 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 and parent company (separate) 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 and parent company (separate) 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.

Continued on page 4

Continued from page 3

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements (continued)

- 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 and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and parent company (separate) 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 and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company (separate) financial statements, including the disclosures, and whether the consolidated and parent (separate) 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's 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.

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

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

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Report on Other Legal and Regulatory Requirements

Further, we report that the consolidated and parent company (separate) financial statements as at and for the year ended 31 December 2024, comply, in all material respects, with the:

- relevant requirements of the Financial Services Authority (formerly the Capital Market Authority); and
- applicable provisions of the Commercial Companies Law of 2019.

Mobeen Chaudhri
23 February 2025

KPMG LLC

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Parent Company		Group	
	Note	**2024 RO**	2023 RO	**2024 RO**	2023 RO
Revenue from contracts with customers	3	**64,966,142**	54,697,765	**63,951,877**	53,851,659
Cost of sales	4	**(48,239,968)**	(40,846,361)	**(46,141,880)**	(39,224,320)
Gross profit		**16,726,174**	13,851,404	**17,809,997**	14,627,339
Dividend income	35	**540,000**	540,000	**-**	-
Selling and distribution expenses	5	**(6,202,833)**	(6,079,767)	**(6,202,833)**	(5,734,770)
Administrative and general expenses	6	**(2,731,154)**	(2,158,961)	**(2,987,380)**	(2,402,116)
Reversal / (impairment loss) on financial assets	29(b)	**9,824**	(89,734)	**9,824**	(89,734)
Other income		**10,216**	45,236	**19,006**	47,452
Operating profit		**8,352,227**	6,108,178	**8,648,614**	6,448,171
Finance income	8	**202,404**	118,975	**202,404**	118,975
Finance costs	8	**(2,695,060)**	(2,764,876)	**(2,735,858)**	(2,816,859)
Net finance costs	8	**(2,492,656)**	(2,645,901)	**(2,533,454)**	(2,697,884)
Share of loss on financial assets at fair value through profit and loss	15	**(430)**	(1,446)	**(430)**	(1,446)
Share of profit / (loss) of equity - accounted investee (net of tax)	14	**718,700**	(427,107)	**718,700**	(427,107)
Profit before income tax		**6,577,841**	3,033,724	**6,833,430**	3,321,734
Income tax expense	9	**(855,504)**	(545,454)	**(931,692)**	(731,742)
Profit for the year		**5,722,337**	2,488,270	**5,901,738**	2,589,992
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**5,722,337**	2,488,270	**5,901,738**	2,589,992
Profit per share:					
Basic and Diluted earnings per share	31	**0.048**	0.021	**0.049**	0.022

The accompanying notes on pages 38 to 75 form an integral part of these consolidated and parent company's (separate) financial statements.

Independent Auditor's report – pages 29 - 33.

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Parent Company		Group	
		2024	2023	**2024**	2023
	Note	**RO**	RO	**RO**	RO
ASSETS					
Non-current assets					
Property, plant and equipment	10	**55,240,887**	55,954,396	**59,081,531**	59,988,295
Right of use assets	11	**4,034,564**	1,338,111	**4,347,933**	1,506,946
Intangible assets	12	**1**	189	**1**	189
Investments in subsidiary	13	**1,350,000**	1,350,000	**-**	-
Equity-accounted investee	14	**6,108,998**	5,390,298	**6,108,998**	5,390,298
Financial assets at fair value through profit or loss	15	**45,795**	46,225	**45,795**	46,225
Total non-current assets		**66,780,245**	64,079,219	**69,584,258**	66,931,953
Current assets					
Inventories	16	**11,696,241**	13,618,338	**12,767,647**	14,466,406
Biological assets	17	**3,029,011**	3,154,033	**3,029,011**	3,154,033
Trade and other receivables	18	**14,009,880**	13,747,723	**14,384,310**	14,109,363
Term deposits	19	**3,300,000**	3,300,000	**3,300,000**	3,300,000
Cash and cash equivalents	20	**941,871**	737,550	**1,029,295**	1,056,881
Total current assets		**32,977,003**	34,557,644	**34,510,263**	36,086,683
TOTAL ASSETS		**99,757,248**	98,636,863	**104,094,521**	103,018,636
EQUITY AND LIABILITIES					
Equity					
Share capital	21	**12,000,000**	12,000,000	**12,000,000**	12,000,000
Legal reserves	22	**4,000,000**	4,000,000	**4,566,804**	4,558,548
Retained earnings		**27,559,765**	23,037,428	**30,926,415**	26,232,933
Other reserve	23	**(2,431,642)**	(2,431,642)	**(2,431,642)**	(2,431,642)
TOTAL EQUITY		**41,128,123**	36,605,786	**45,061,577**	40,359,839
LIABILITIES					
Non-current liabilities					
Borrowings	24	**31,939,443**	34,596,575	**31,939,443**	34,744,213
Lease liabilities	25	**3,987,195**	1,199,505	**4,325,987**	1,388,910
End of service benefits	26	**1,532,169**	1,330,541	**1,649,967**	1,412,763
Deferred tax liabilities	9	**1,234,116**	825,051	**1,412,231**	1,000,901
Total non-current liabilities		**38,692,923**	37,951,672	**39,327,628**	38,546,787
Current liabilities					
Borrowings	24	**6,907,379**	14,700,523	**7,027,732**	14,826,919
Lease liabilities	25	**299,433**	333,102	**307,739**	340,901
Tax payable	9	**448,198**	78,824	**551,905**	215,655
Trade and other payables	27	**12,281,192**	8,966,956	**11,817,940**	8,728,535
Total current liabilities		**19,936,202**	24,079,405	**19,705,316**	24,112,010
TOTAL LIABILITIES		**58,629,125**	62,031,077	**59,032,944**	62,658,797
TOTAL EQUITY AND LIABILITIES		**99,757,248**	98,636,863	**104,094,521**	103,018,636
Net assets per share	33	**0.342**	0.305	**0.376**	0.336

The financial statements on pages 34 to 75 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 21/02/2025

Director　　　　　　　　　　　　　　　　　　　　　　Chairman

The accompanying notes on pages 38 - 75 form an integral part of these consolidated and parent company's (separate) financial statements.

Independent Auditor's report – pages 29 - 33.

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

	Share Capital RO	Legal reserves RO	Retained Earnings RO	Other reserve RO	Total equity RO
Parent Company:					
At 1 January 2023	12,000,000	4,000,000	19,420,036	(2,431,642)	32,988,394
Total comprehensive income for the year	-	-	2,488,270	-	2,488,270
Other equity movement:					
Gain on acquisition of subsidiary under common control (note 34)	-	-	1,129,122	-	1,129,122
At 31 December 2023	12,000,000	4,000,000	23,037,428	(2,431,642)	36,605,786
Group:					
At 1 January 2023	12,000,000	4,497,763	23,703,726	(2,431,642)	37,769,847
Total comprehensive income for the year	-	-	2,589,992	-	2,589,992
Transfer to legal reserve	-	60,785	(60,785)	-	-
At 31 December 2023	12,000,000	4,558,548	26,232,933	(2,431,642)	40,359,839
Parent company:					
At 1 January 2024	**12,000,000**	**4,000,000**	**23,037,428**	**(2,431,642)**	**36,605,786**
Total comprehensive income for the year	**-**	**-**	**5,722,337**	**-**	**5,722,337**
Dividend paid	**-**	**-**	**(1,200,000)**	**-**	**(1,200,000)**
At 31 December 2024	**12,000,000**	**4,000,000**	**27,559,765**	**(2,431,642)**	**41,128,123**
Group:					
At 1 January 2024	**12,000,000**	**4,558,548**	**26,232,933**	**(2,431,642)**	**40,359,839**
Total comprehensive income for the year	**-**	**-**	**5,901,738**	**-**	**5,901,738**
Dividend paid	**-**	**-**	**(1,200,000)**	**-**	**(1,200,000)**
Transfer to legal reserve		**8,256**	**(8,256)**		**-**
At 31 December 2024	**12,000,000**	**4,566,804**	**30,926,415**	**(2,431,642)**	**45,061,577**

The accompanying notes on pages 38 to 75 form an integral part of these consolidated and parent company's (separate) financial statements.

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Operating activities				
Profit before taxation	**6,577,841**	3,033,724	**6,833,430**	3,321,734
Adjustment for:				
Depreciation on property, plant and equipment	**3,318,597**	3,408,696	**3,604,279**	3,772,391
Depreciation on right of use assets	**248,762**	244,670	**261,234**	268,300
Amortization	**188**	287	**188**	524
(Reversal)/ impairment loss on financial assets	**(9,824)**	89,734	**(9,824)**	89,734
Finance income	**(202,404)**	(118,974)	**(202,404)**	(118,975)
Finance expense	**2,695,060**	2,764,876	**2,735,858**	2,816,859
Dividend income	**(540,000)**	(540,000)	**-**	-
Gain on disposal of property, plant and equipment	**(6,984)**	(9,666)	**(12,395)**	(9,666)
Share of profit / (loss) of equity accounted investee	**(718,270)**	428,553	**(718,270)**	428,553
Accruals of end of service benefits	**244,100**	359,540	**280,857**	352,331
	11,607,066	9,661,440	**12,772,953**	10,921,785
Income tax paid	**(77,066)**	(545,455)	**(187,037)**	(731,742)
Payment of end of service benefits	**(42,472)**	(161,117)	**(43,653)**	(162,430)
	11,487,528	8,954,868	**12,542,263**	10,027,613
Working capital changes:				
Inventories	**1,922,097**	(2,763,573)	**1,698,759**	(2,913,160)
Biological assets	**125,022**	(151,448)	**125,022**	(151,448)
Trade and other receivables	**(252,333)**	(2,307,267)	**(265,123)**	(2,509,741)
Trade and other payables	**3,301,997**	2,200,744	**3,080,074**	2,593,923
Net cash generated from operating activities	**16,584,311**	5,933,324	**17,180,995**	7,047,187
Cash flows from investing activities				
Acquisition of property, plant and equipment	**(2,617,026)**	(1,095,506)	**(2,709,453)**	(1,197,981)
Placement of term deposit	**-**	(1,300,000)	**-**	(1,300,000)
Additions right of use of asset	**-**	(212,983)	**-**	(212,983)
Dividend received	**540,000**	540,000	**-**	-
Proceeds from disposal of property, plant and equipment	**18,922**	9,672	**24,333**	9,670
Finance income received	**202,404**	118,975	**202,404**	118,975
Net cash flows used in investing activities	**(1,855,700)**	(1,939,842)	**(2,482,716)**	(2,582,319)
Cash flows from financing activities				
Lease payments	**(343,042)**	(322,583)	**(372,546)**	(363,865)
Repayment of term loans	**(1,972,777)**	(1,482,253)	**(2,126,458)**	(1,754,014)
Net movement of short-term loans	**(7,781,708)**	1,318,070	**(7,781,708)**	1,318,070
Dividend paid	**(1,200,000)**	-	**(1,200,000)**	-
Finance cost paid	**(2,530,970)**	(2,764,876)	**(2,549,362)**	(2,816,859)
Net cash used in financing activities	**(13,828,497)**	(3,251,642)	**(14,030,074)**	(3,616,668)
Net change in cash and cash equivalents	**900,114**	741,840	**668,205**	848,200
Cash and cash equivalent as at 1 January	**(363,154)**	(1,104,992)	**(43,821)**	(892,021)
Cash and cash equivalent as at 31 December	**536,960**	(363,154)	**624,384**	(43,821)
Cash and cash equivalent comprise:				
Bank overdrafts (note 24)	**(404,911)**	(1,100,702)	**(404,911)**	(1,100,702)
Cash on hand and at bank (note 20)	**941,871**	737,550	**1,029,295**	1,056,881
	536,960	(363,154)	**624,384**	(43,821)

Reconciliation of liabilities arising from financing activities in long term loans (note 20.1)

The accompanying notes on pages 38 to 75 form an integral part of these consolidated and parent company's (separate) financial statements.

Independent Auditor's report – pages 29 - 33.

1 Legal status and principal activities

A'Saffa Foods SAOG ("the Company" or "Parent company") is an Omani joint stock company registered in the Sultanate of Oman on 30 December 2001 under the commercial registration no. 2/16733/6. The Company commenced commercial operations on 1 July 2004. The Company is engaged in manufacturing and distribution of poultry meat.

On 25 May 2011, the Parent company incorporated a company in Sultanate of Oman, A'Saffa Food Processing SPC ('A'Saffa Processing') with a registered share capital of RO 1,350,000. A'Saffa Processing registered in Sultanate of Oman as a limited liability company, is a wholly owned subsidiary of the Company. A'Saffa Processing is engaged in manufacturing and distribution of meat, vegetables and fruit products and it started its operations in 2013.

On 17 September 2014, the Parent company incorporated a company in Sultanate of Oman, A'Saffa Logistics LLC ('A'Saffa Logistics') with an initial registered share capital of RO 1,600,000. A'Saffa Logistics registered in Sultanate of Oman as a limited liability company, was a wholly owned subsidiary of the Company. A'Saffa Logistics was engaged in storage and providing logistical support services. The shareholders of the Company in the Extra Ordinary General Meeting dated 13th April 2023 agreed to merge A'Saffa Logistics LLC in the Parent Company from 1st July 2023. (Refer note no. 34).

The consolidated financial statements comprise the Parent company and its subsidiary A' Saffa Processing, the details of which are set out above (together referred to as 'the Group'). The separate financial statements represent the financial statements of the Parent company on a standalone basis. The consolidated and separate financial statements are collectively referred to as 'the financial statements'.

2 Basis of preparation and material accounting policies

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial statements also comply with the applicable requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman and the rules and guidelines issued by the Financial Services Authority (formerly known as Capital Market Authority).

(b) Basis of measurement

The financial statements are prepared under the historical cost convention except for financials assets measured at fair value through profit or loss, and biological assets measured at fair value except for Breeder birds.

(c) Functional and presentation currency

The accounting records are maintained in Omani Rial (RO), which is the functional and presentation currency for the financial statements.

(d) New and amended standards adopted by the parent and the Group

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2024. Those, which are relevant to these financial statements, are set out below.

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The Parent and the Group have adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. Despite the change in IAS 1, there is no impact in the current year or retrospective impact on the comparative statement of financial position as of 31 December 2024 and 31 December 2023 respectively.

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

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

(e) New standards and interpretations not yet adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the 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	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements- IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption / effective date deferred indefinitely

There are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

(f) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the directors and management to make judgements, estimates and assumptions, including climate related risks and opportunities that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where accounting assumptions and estimates are significant to the financial statements are disclosed in notes below and also in the relevant notes to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

The critical accounting estimates and judgements are set out below.

(i) Useful lives of property, plant, and equipment

The Group's directors and management determines the estimated useful lives of its property, plant, and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Directors and management review the residual value and useful lives annually and future depreciation charges would be adjusted where the directors and management believe the useful lives differ from previous estimates.

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

(ii) Valuation of biological assets

The valuation of biological assets requires the use of estimates by the directors and management. Directors and management uses their judgement to select an appropriate valuation methodology and make assumptions that are based on market conditions existing at each reporting date. Refer note 17 for details.

(iii) Leases

Directors and management estimate and judgement is primarily required in determining the lease term and the incremental borrowing rate in the leases.

In determining the lease term, directors and management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In determining the option to purchase, the group has determined that it is practically not viable to opt for the purchase option and exercise it, given the operations of company are different from the knowledge required to operate the leased equipment.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of solar plant in which it is a lessee, the group has elected not to separate non-lease components (variable lease payment related to operation and maintenance fees) and accounted for the lease and non-lease components as a single lease component.

In-substance fixed payments are payments that are structured as variable lease payments, but which - in substance - are unavoidable. In determining the in substance fixed payment, the group has evaluated the probability of different variable lease payments options for operation and maintenance fees of solar plant and determined that there is only one likely outcome for the payment of operation and maintenance which has been based on the prior trend and future expectation, and accordingly it has been taken as the in-substance fixed payments. The remaining lease payment options for operation and maintenance fees have no genuine possibility of occurring.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of storage house that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received or specific quotes obtained from commercial lenders by the 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, or in case no quote could be obtained from a commercial lender; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

(iv) Impairment of financial assets

The impairment provisions for financial assets are assessed based on the "Expected Credit Loss" model, using assumptions about risk of default and expected loss rates. The Directors and management use judgement 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.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies

The Group has consistently applied the followings accounting policies to all periods presented in the financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (including structured entities) and its subsidiaries. Subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies

(a) Basis of consolidation (continued)

(i) Consolidation (continued)

Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

A listing of Group' subsidiaries is disclosed in note 14.

(ii) Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost which includes transactions cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit and loss reflect the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of results of associates' in the profit and loss.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies

(a) Basis of consolidation (continued)

(ii) Investment in an associate (continued)

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss. Refer note 15.

(iii) Investment in subsidiary

Investment in subsidiaries in the Parent company financial statements are carried at cost less impairment, if any.

(iv) Changes in ownership interests

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

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

(b) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using Rial Omani which is the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Rial Omani which is the Company's functional and the Group's presentation currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(c) Financial instruments

Financial assets

(i) Classification

The Group on initial recognition classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair values (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(i) Classification (continued)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies these financial assets, when and only when its business model for managing those financial assets changes.

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).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) 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 (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost for financial assets carried at FVTPL are expensed in profit or loss.

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 financial assets:

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 separate line item in the statement of profit or loss.

Fair value through other comprehensive statement; 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 fair value through other comprehensive statement. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income 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.

Fair Value through profit or loss; Assets that do not meet the criteria for amortised cost or fair value through other comprehensive statement are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement (continued)

Equity instruments at FVOCI

For assets measured at fair value, gains and losses will either be recorded in OCI (other comprehensive income). The Group's equity investment is not held for trading and is valued at its fair value with any gains or losses recorded through OCI based on an irrevocable election made by the management at the time of the initial recognition of the investment. The Group subsequently measures equity investments at fair value. Where the 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. On disposal of this equity investment any related balance within the FVOCI reserve is reclassified to retained earnings. Dividends from such investments continue to be recognised in profit or loss as other income when the Group and Parent Company's right to receive payments is established.

(iv) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Other financial assets at amortised cost includes term deposits, cash and cash equivalents, due from related parties and other receivables which are also subject to the impairment requirements of IFRS 9 and on which expected credit loss is calculated based on a staging approach.

(d) 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 one year 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.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. Deposits which have a maturity beyond three months are classified as term deposits on the "Statement of Financial Position".

(f) Borrowings

Interest-bearing term loans are recognised initially at fair value less attributable costs such as loan arrangement fee. Subsequent to initial recognition, interest-bearing term loans are stated at amortised cost with any difference

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Financial assets (continued)

(f) Borrowings (continued)

between cost and redemption value being recognised in profit and loss over the expected period of term loans on an effective interest rate basis.

Term loans are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss if any. The cost of property, plant and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvements on leasehold land	20 - 30 years
Motor vehicles	5 years
Bore wells	20 years
Plant and machinery	20 years
Furniture and fittings	3 years
Office equipment	6.5 years
Porta cabins	20 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts are recognised within 'other operating income' and are taken into account in determining operating profit.

Land is not depreciated as it is deemed to have an indefinite life.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policy.

Borrowing cost to finance the construction of the qualifying assets are capitalised, during the period that is required to complete and prepare the asset for its intended use.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Financial assets (continued)

(i) 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 term loans 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.

(j) Intangible assets

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Costs are amortised over their estimated useful life of five years.

(k) Biological assets

Biological assets include poultry for livestock of breeder chicken, hatchable eggs and broiler birds. Biological assets, except breeder chicken, are measured at fair value less cost to sell.

The valuation of the Breeder chicken is determined on the following basis:
Breeder birds are used for captive consumption, it is uncommon to be sold before the end of its useful life and as such, there is no active market for the Company's useful breeding stock. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, breeder birds are measured at cost which includes feeds, medical and the portion of the overheads, less amortization and impairment losses (if any).

Breeder birds are depreciated over the production cycle which is estimated to be nine to ten months on average based on anticipated output month to month.

Broiler chicken and hatchable eggs are stated at fair value less estimated selling cost. Cost of sell include all cost that would be necessary to sell the assets. Gain and losses arising on the initial recognition of broiler birds and hatch able eggs at fair value less estimated point of sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the statement of profit or loss in the period in which they arise.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. The cost of raw materials and consumables and goods for resale is based on weighted average method and consists of direct costs of materials and related overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made where necessary for obsolete, slow moving and defective items, based on management's assessment.

Agriculture produce harvested from biological assets are measured at fair value less cost to sell at the point of harvest.

(m) Leases

(i) 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

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(m) Leases (continued)

(i) Group as a lessee (continued)

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:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- 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.

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.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of comprehensive income. 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.

(ii) The Group as a lessor

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. Lease payments from operating lease are recognised as income on a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Costs incurred in earning the lease income, including depreciation are recognised as an expense. Initial direct cost incurred in obtaining lease, are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income. Modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued leased payments relating to the original lease as part of the lease payments for the new lease. The respective leased assets are included in the balance sheet based on their nature.

(n) Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax recognised in the statement of profit or loss 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 except for items recognised directly in equity or in OCI.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(n) Income tax (continued)

- Temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.
Deferred tax assets and liabilities are offset only if certain criteria are met.

(o) 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 benefits will be required to settle the obligation.

(p) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, biological assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognised in the profit and loss statement unless it reverses a previous revaluation that was credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then, to reduce the carrying amounts of the other assets in cash-generating units on a pro rata basis.

The recoverable amount of an asset or 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 the time value of money and the risks specific to the asset or 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.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from contracts with customers

The Group's principal activities are sale and distribution of poultry meat, vegetables and fruit pulps in Oman and providing storage and logistical support services.

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its all revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue from sale and distribution of its products are recognised at the point in time when control of the goods are transferred and have been accepted by the customer, generally on delivery of the goods.

(ii) Service income

Revenue from rendering services are recognized over time in the pattern in which the customer simultaneously receives and benefits from the service. The Group's subsidiary company namely A' Saffa Logistic LLC use to provide warehouses and other logistics services on rental basis, from 1st July 2023, the Parent Company provides the mentioned services after the merger of its subsidiary.

The Company 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 industry practice. Transaction price is determined based on the contractual term and seldom involves any judgement.

(r) Interest income and interest expense

Interest income and interest expense are accounted for on the accrual basis using an effective interest rate method**.**

(s) End of services benefits

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Omani Social Insurance Scheme, are recognised as an expense in profit and loss as incurred.

The Group's obligation in respect of non-Omani employees' terminal benefits is the amount of future benefit that such employees have earned in return for their service in the current and prior periods having regard to the employee contract and Oman Labor Law 2003, as amended.

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

(t) Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Capital Market Authority and are recognised as an expense in the profit or loss statement.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(u) Dividend

The Board adopts a prudent dividend policy, which complies with regulatory requirements applicable in the Sultanate of Oman. Dividend shall be distributed in accordance with Group's Memorandum of Association and shall be subject to the approval of shareholders.

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

(v) Earnings and net assets per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Group by the number of ordinary shares outstanding during the year. Net assets for the purpose are defined as total equity.

(w) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors ('Board') that makes strategic decisions.

(x) Determination of fair values

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(x) Determination of fair values (continued)

Level 2 —inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 —inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

(y) Transfer of entities under common control

Common control transactions are accounted at book value on the basis that the assets/ liabilities have been transferred from one part of the Group to another. The assets and liabilities acquired or transferred are recognised or de-recognised at the carrying amounts. Accordingly, no gain or loss is recognised in the profit or loss on the transfer of such assets/ liabilities.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

Revenue has been disaggregated based on the geographical region from which its derived and also based on its nature. The group drives revenue from the transfer of goods at point in time through sales of goods and services rendered revenue over time.

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Local sales	**46,071,152**	36,940,735	**45,056,887**	36,094,629
GCC sales	**18,894,990**	17,757,030	**18,894,990**	17,757,030
Total revenue	**64,966,142**	54,697,765	**63,951,877**	53,851,659

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Sales of goods	**64,578,142**	54,513,259	**63,563,877**	53,542,966
Rendering of services	**388,000**	184,506	**388,000**	308,693
Total revenue	**64,966,142**	54,697,765	**63,951,877**	53,851,659

4 COST OF SALES

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cost of materials consumed	**36,752,001**	30,052,982	**33,216,306**	26,818,765
Employee related costs	**5,403,651**	4,924,575	**6,132,318**	5,673,877
Depreciation on property, plant and equipment (note 10)	**3,053,109**	3,129,504	**3,295,939**	3,450,825
Depreciation on right of use assets (note 11)	**112,698**	47,525	**125,170**	71,155
Fuel expenses	**1,810,227**	1,886,091	**2,020,426**	2,136,349
Amortisation (note 12)	**188**	288	**188**	524
Others	**1,108,094**	805,396	**1,351,533**	1,072,825
	48,239,968	40,846,361	**46,141,880**	39,224,320

5 SELLING AND DISTRIBUTION EXPENSES

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Employee related costs	**2,675,184**	2,365,850	**2,675,184**	2,365,850
Selling and marketing costs	**1,864,663**	1,206,510	**1,864,663**	1,206,510
Rent and storage expenses	**582,646**	1,576,079	**582,646**	1,231,082
Advertisement and sales promotion	**461,063**	361,574	**461,063**	361,574
Depreciation on right of use assets (note 11)	**136,064**	197,146	**136,064**	197,146
Insurance	**287,362**	210,653	**287,362**	210,653
Depreciation on property, plant and equipment (note 10)	**33,186**	34,899	**33,186**	34,899
Communication	**30,075**	8,046	**30,075**	8,046
Other	**132,590**	119,010	**132,590**	119,010
	6,202,833	6,079,767	**6,202,833**	5,734,770

6 ADMINISTRATIVE AND GENERAL EXPENSES

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Employee related costs including directors' meeting fees and renumeration	**1,776,233**	1,426,660	**1,939,584**	1,645,859
Depreciation on property, plant and equipment (note 10)	**232,302**	244,293	**275,154**	286,667
Rent	**-**	54,255	**-**	-
Professional and consultancy fees*	**108,183**	85,112	**121,686**	102,906
Contributions for social cause	**50,000**	10,000	**50,000**	10,000
Vehicle expenses	**31,743**	33,987	**35,333**	33,987
Registration and renewals	**43,452**	30,824	**43,452**	30,824
Business travel and meeting expenses	**29,642**	58,410	**29,642**	58,410
Communication	**21,809**	33,917	**21,809**	33,917
Printing and stationery	**34,855**	16,681	**34,855**	16,681
Repairs and maintenance	**-**	6,297	**-**	6,297
Other	**402,935**	158,525	**435,865**	176,568
	2,731,154	2,158,961	**2,987,380**	2,402,116

* This includes remuneration paid to auditors' for the year 2024, which amounts to RO 37,500 for audit services and RO 2,500 for non-assurance services, which includes audit related services amounting to, RO 2,000 and RO 500 for Arabic translation.

7 EMPLOYEE RELATED COSTS

Salaries, wages and related costs included under cost of sales, selling and distribution expenses and general and administrative expenses comprise:

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Salaries, wages and other benefits	**9,002,929**	7,825,756	**9,811,953**	8,713,842
Leave salaries	**473,543**	408,080	**511,265**	462,500
Air passage	**134,496**	141,366	**143,011**	156,915
End of service benefits (note 26)	**244,100**	341,884	**280,857**	352,329
	9,855,068	8,717,086	**10,747,086**	9,685,586

8 FINANCE COSTS / INCOME

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
(a) Finance cost on Islamic financing:				
- on bank overdraft	**32,197**	51,042	**34,208**	53,972
- on Islamic term loan	**2,498,773**	2,621,702	**2,515,154**	2,646,185
- on lease liabilities (note 25)	**164,090**	92,132	**186,496**	116,702
	2,695,060	2,764,876	**2,735,858**	2,816,859
(b) Finance income on Islamic financing:				
Profit on deposits	**(202,404)**	(118,975)	**(202,404)**	(118,975)
Finance income	**(202,404)**	(118,975)	**(202,404)**	(118,975)
Finance costs– net	**2,492,656**	2,645,901	**2,533,454**	2,697,884

9 TAXATION

9 (a) Reconciliation of effective tax rate

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Profit before Tax	**6,577,841**	3,033,724	**6,833,430**	3,321,734
Income tax @ 15%	**986,676**	455,059	**1,025,015**	498,259
Non-deductible expenses	**(159,042)**	-	**(158,557)**	122,210
Prior period deferred tax	**27,791**	(80,085)	**27,778**	(80,085)
Tax effect of permanent differences	**-**	256,831	**-**	256,831
Prior period current tax	**(1,759)**	-	**(53,275)**	19,183
Tax exempt revenue	**-**	(81,000)	**-**	(81,000)
Others	**1,838**	(5,351)	**90,731**	(3,656)
	855,504	545,454	**931,692**	731,742

9 (b) Statement of comprehensive income:

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Current tax expense				
- Current year	**448,198**	-	**573,637**	184,564
- Prior years	**(1,759)**	-	**(53,275)**	-
Deferred tax expense	**409,065**	545,454	**411,330**	547,178
	855,504	545,454	**931,692**	731,742
Statement of financial position:				
(a) Current tax liabilities:				
Current year	**448,198**	78,824	**551,905**	215,655
	448,198	78,824	**551,905**	215,655
(b) Deferred tax liabilities:				
1 January	**825,051**	228,478	**1,000,901**	453,723
Transfer from subsidiary	**-**	51,119	**-**	-
Movement for the year	**409,065**	545,454	**411,330**	547,178
31 December	**1,234,116**	825,051	**1,412,231**	1,000,901

The tax authorities in Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly, each legal entity is taxable separately. The tax rate applicable to all taxable entities of the Group is 15% (2023: 15%).

9 TAXATION (continued)

9 (b) Statement of comprehensive income(continued):

For the purpose of determining the tax expense for the year, the accounting results of each individual legal entity has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

The tax assessments of the Parent Company has been finalised till 2020 and for A 'Saffa food processing SPC (subsidiary) has been finalised till 2020. Management believes that additional tax liability if any, that may arise on the completion of the assessments for the unassessed tax years for the Parent Company and the subsidiary will not be material to the financial position of the Parent Company and Group at the end of the reporting period.

Deferred tax liabilities /(assets) have been calculated at 15% (2023: 15%). The net deferred tax liabilities comprises the following types of temporary differences:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Plant and equipment qualifying for accelerated tax relief	**(1,372,746)**	(1,254,867)	**(1,563,512)**	(1,442,728)
Provisions	**100,820**	102,294	**108,212**	109,686
Lease liability	**-**	229,891	**-**	259,553
Right of use assets (IFRS 16)	**37,810**	(200,717)	**43,069**	(225,760)
Losses carried forward	**-**	298,348	**-**	298,348
	(1,234,116)	(825,051)	**(1,412,231)**	(1,000,901)

10 PROPERTY, PLANT AND EQUIPMENT

(a) The movement on property, plant and equipment during the year is set out on pages 56 to 57.

(b) Buildings in the Parent Company are constructed on land leased from the Ministry of Housing, Dhofar Governate with the lease ending in 2041 and which is further renewable at the option of the lessee. Buildings in the books of the subsidiary namely A' Saffa Food Processing SPC are constructed on lands leased from Public Establishment for Industrial Estates, Rusayl with leases ending in 2038 and 2050 respectively, which are further renewable at the option of the lessee. During previous year the land related to Rusayl Industrial area and Salalah novated from A' Saffa Logistic to A' Saffa Foods SAOG.

(c) At December 2024 property plant and equipment with a carrying amount of RO 34.7 million (2023 RO 34.7 million) were pledged as security against bank financing (Refer note 24).

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent

	Buildings and improvements on leasehold land RO	Motor vehicles RO	Bore Wells RO	Plant and machinery RO	Furniture and fittings RO	Office equipment RO	Porta cabins RO	Capital work-in-progress RO	Total RO
Cost									
At 1 January 2023	42,999,116	1,339,831	431,700	30,852,125	302,489	498,227	233,113	-	76,656,601
Additions	23,530	769,850	-	23,156	-	-	-	278,970	1,095,506
Disposals	-	(51,200)	-	-	-	-	-	-	(51,200)
Transfer from subsidiary (note 34)	3,616,942	210,438	-	791,486	8,959	12,498	-	-	4,640,323
At 31 December 2023	46,639,588	2,268,919	431,700	31,666,767	311,448	510,725	233,113	278,970	82,341,230
Accumulated depreciation									
At 1 January 2023	8,179,095	843,799	233,316	11,503,268	291,448	471,615	179,115	-	21,701,656
Charge for the year (notes 4,5,6)	1,493,141	245,365	14,341	1,621,798	7,836	10,998	15,217	-	3,408,696
Transfer from subsidiary (note 34)	868,953	160,969	-	276,300	8,959	12,498	-	-	1,327,679
Disposal	-	(51,197)	-	-	-	-	-	-	(51,197)
At 31 December 2023	10,541,189	1,198,936	247,657	13,401,366	308,243	495,111	194,332	-	26,386,834
Net book value									
31 December 2023	36,098,399	1,069,983	184,043	18,265,401	3,205	15,614	38,781	278,970	55,954,396
Cost									
At 1 January 2024	**46,639,588**	**2,268,919**	**431,700**	**31,666,767**	**311,448**	**510,725**	**233,113**	**278,970**	**82,341,230**
Additions	**-**	**661,384**	**-**	**26,801**	**1,308**	**45,252**	**-**	**1,882,281**	**2,617,026**
Disposals	**-**	**(34,300)**	**-**	**-**	**-**	**-**	**-**	**-**	**(34,300)**
Transfer from capital work-in-progress	**823,348**	**-**	**-**	**1,337,903**	**-**	**-**	**-**	**(2,161,251)**	**-**
At 31 December 2024	**47,462,936**	**2,896,003**	**431,700**	**33,031,471**	**312,756**	**555,977**	**233,113**	**-**	**84,923,956**
Accumulated depreciation									
At 1 January 2024	**10,541,189**	**1,198,936**	**247,657**	**13,401,366**	**308,243**	**495,111**	**194,332**	**-**	**26,386,834**
Charge for the year (notes 4,5,6)	**1,570,534**	**363,279**	**14,341**	**1,343,362**	**4,513**	**18,271**	**4,297**	**-**	**3,318,597**
Disposal	**-**	**(22,362)**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,362)**
At 31 December 2024	**12,111,723**	**1,539,853**	**261,998**	**14,744,728**	**312,756**	**513,382**	**198,629**	**-**	**29,683,069**
Net book value									
31 December 2024	**35,351,213**	**1,356,150**	**169,702**	**18,286,743**	**-**	**42,595**	**34,484**	**-**	**55,240,887**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Buildings and improvements on leasehold land RO	Motor vehicles RO	Bore wells RO	Plant and machinery RO	Furniture and fittings RO	Office equipment RO	Porta cabins RO	Capita work-in-progress RO	Total RO
Cost									
At 1 January 2023	49,347,651	1,552,778	431,700	35,368,821	343,330	550,236	233,113	-	87,827,629
Additions	29,590	811,250	-	76,532	-	1,639	-	278,970	1,197,981
Disposals		(51,200)	-	-	-	-	-	-	(51,200)
At 31 December 2023	49,377,241	2,312,828	431,700	35,445,353	343,330	551,875	233,113	278,970	88,974,410
Accumulated depreciation									
At 1 January 2023	9,813,772	1,036,845	233,316	13,155,292	328,287	518,293	179,115	-	25,264,920
Charge for the year (note 4,5,6)	1,654,350	254,673	14,341	1,810,922	9,791	13,097	15,217	-	3,772,391
Disposal	-	(51,196)	-	-	-	-	-	-	(51,196)
At 31 December 2023	11,468,122	1,240,322	247,657	14,966,214	338,078	531,390	194,332		28,986,115
Net book value									
31 December 2023	37,909,119	1,072,506	184,043	20,479,139	5,252	20,485	38,781	278,970	59,988,295
Cost									
At 1 January 2024	**49,377,241**	**2,312,828**	**431,700**	**35,445,353**	**343,330**	**551,875**	**233,113**	**278,970**	**88,974,410**
Additions	**25,160**	**683,384**	**-**	**64,690**	**3,689**	**50,249**	**-**	**1,882,281**	**2,709,453**
Disposals	**-**	**(50,300)**	**-**	**-**	**-**	**-**	**-**	**-**	**(50,300)**
Transfer from capital work in progress	**823,348**	**-**	**-**	**1,337,903**	**-**	**-**	**-**	**(2,161,251)**	**-**
At 31 December 2024	**50,225,749**	**2,945,912**	**431,700**	**36,847,946**	**347,019**	**602,124**	**233,113**	**-**	**91,633,563**
Accumulated depreciation									
At 1 January 2024	**11,468,122**	**1,240,322**	**247,657**	**14,966,214**	**338,078**	**531,390**	**194,332**	**-**	**28,986,115**
Charge for the year (note 4,5,6)	**1,661,882**	**366,401**	**14,341**	**1,531,915**	**5,958**	**19,485**	**4,297**	**-**	**3,604,279**
Disposal		**(38,362)**	**-**	**-**	**-**	**-**	**-**	**-**	**(38,362)**
At 31 December 2024	**13,130,004**	**1,568,361**	**261,998**	**16,498,129**	**344,036**	**550,875**	**198,629**	**-**	**32,552,032**
Net book value									
31 December 2024	**37,095,745**	**1,377,551**	**169,702**	**20,349,817**	**2,983**	**51,249**	**34,484**	**-**	**59,081,531**

11 RIGHT OF USE ASSETS

The statement of financial position shows the following amounts relating to right to use assets:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cost				
At 1 January	**3,031,809**	2,376,299	**3,249,084**	3,036,101
Additions during the year	**2,945,215**	212,983	**3,102,221**	212,983
Transfer from subsidiary (note 34)	**-**	442,527	**-**	-
At 31 December	**5,977,024**	3,031,809	**6,351,305**	3,249,084
Accumulated depreciation				
At 1 January	**1,693,698**	1,343,003	**1,742,138**	1,473,838
Transfer from subsidiary (note 34)	**-**	106,025	**-**	-
Charge for the year (note 4 and 5)	**248,762**	244,670	**261,234**	268,300
At 31 December	**1,942,460**	1,693,698	**2,003,372**	1,742,138
Net carrying amount at 31 December	**4,034,564**	1,338,111	**4,347,933**	1,506,946

The right of use assets pertains to the following underlying assets:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Right-of-use assets				
Land	**1,119,512**	991,858	**1,431,564**	1,160,693
Solar equipment	**2,483,747**	-	**2,483,747**	-
Vehicles	**431,305**	346,253	**432,622**	346,253
	4,034,564	1,338,111	**4,347,933**	1,506,946

The statement of profit or loss shows the following amounts relating to right to use assets:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Right-of-use assets				
Land	**68,497**	67,411	**80,969**	77,258
Solar equipment	**44,154**	-	**44,154**	-
Vehicles	**136,111**	177,259	**136,111**	191,042
	248,762	244,670	**261,234**	268,300

12 INTANGIBLE ASSETS

	Parent		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cost				
At 1 January	**578,827**	510,819	**578,827**	578,828
Transfer from subsidiary (note 34)	**-**	68,009	**-**	-
At 31 December	**578,827**	578,828	**578,827**	578,828
Accumulated amortisation				
At 1 January	**578,638**	510,819	**578,638**	578,115
Transfer from subsidiary (note 34)	**-**	67,532	**-**	-
Charge for the year	**188**	288	**188**	524
At 31 December	**578,826**	578,639	**578,826**	578,639
Net carrying amount				
At 31 December	**1**	189	**1**	189

Intangible assets include computer software and are being amortised over the estimated useful life of 5 years.

13 INVESTMENT IN SUBSIDIARY

	% Holding	Year of incorporation	Parent 2024 RO	Parent 2023 RO
A'Saffa Food Processing SPC	**100%**	**2011**	**1,350,000**	1,350,000
			1,350,000	1,350,000

(a) Investment in subsidiary has been eliminated against the share capital and reserves of the subsidiary in consolidated financial statements.

(b) The Board of Directors of the Parent Company have not noted any impairment indicators for the investments in subsidiary at the year end.

(c) From the 1st July 2023, the A' Saffa Foods SAOG acquired A' Saffa logistic LLC refer note 34.

14 EQUITY-ACCOUNTED INVESTEE

Parent company / Group:

	2024 %	2024 RO	2023 %	2023 RO
Osool Poultry SAOC	**23.46%**	**6,108,998**	23.46%	5,390,298
		6,108,998		5,390,298

Movement in investment accounted for using the equity method are as follows:

	Osool Poultry SAOC 2024 RO	Osool Poultry SAOC 2023 RO
Opening balance as at 1 January	**5,390,298**	5,817,405
Share of profit / (loss) during the year	**718,700**	(427,107)
Carrying value as at 31 December	**6,108,998**	5,390,298

The share of profit / (loss) of an equity accounted investee has been recognised in both parent and the consolidated statement of profit or loss for the year.

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

	Osool Poultry SAOC 2024 RO	Osool Poultry SAOC 2023 RO
Net assets	**26,040,060**	22,972,526
Group's share of net assets	**23.46%**	23.46%
Carrying value as at 31 December	**6,108,998**	5,390,298

31 December 2024	**Current assets RO**	**Non-current assets RO**	**Current liabilities RO**	**Non-current liabilities RO**	**Revenue RO**	**Profits RO**
Osool Poultry SAOC	**14,624,697**	**58,693,101**	**11,394,292**	**35,883,446**	**26,268,959**	**3,063,512**

31 December 2023	Current Assets RO	Non-Current assets RO	Current liabilities RO	Non- current liabilities RO	Revenue RO	Losses RO
Osool Poultry SAOC	15,139,751	59,625,640	16,620,638	35,172,227	19,153,688	(1,819,800)

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Parent		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Opening balance as at 1 January	**46,225**	47,671	**46,225**	47,671
Share of losses on financial assets at fair value through profit and loss	**(430)**	(1,446)	**(430)**	(1,446)
Carrying value as at 31 December	**45,795**	46,225	**45,795**	46,225

The Parent Company holds 100,000 shares of RO 1 each (2023: 100,000 shares of RO 1 each) in Al Najd Agricultural Development SAOC.

The financial asset at fair value through profit or loss (FVTPL) is designated as level 3 in the fair value hierarchy, because its subsequent measurement is based on largely unobservable inputs. A 5% change in the unobservable inputs would not result in a significant impact on the fair value. There was no transfer in fair value level hierarchy during the year.

16 INVENTORIES

	Parent		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Raw materials and consumables	**6,975,477**	5,271,531	**7,761,085**	5,930,761
Finished products	**2,523,292**	6,657,091	**2,470,605**	6,560,841
Stores and spares	**2,197,472**	1,689,716	**2,535,957**	1,974,804
	11,696,241	13,618,338	**12,767,647**	14,466,406

At the reporting date, the company has recognized a fair value gain in finished products amounting to RO 362,978 (2023: 156,200) due to the transfer of biological asset to inventories.

Based on the fast-moving nature of the inventory balances no inventory write downs were recognised in the profit and loss account. The closing stock valued on the lower of cost or net relaizable value as at 31 December 2023 and December 31, 2024.

17 BIOLOGICAL ASSETS

	Parent and Group	
	2024 RO	2023 RO
Mature biological assets (Broiler birds)	**1,591,573**	1,916,714
Immature biological assets (Breeder chicks)	**668,629**	564,746
Hatchable eggs	**768,809**	672,573
	3,029,011	3,154,033

At 31 December 2024, 3,183,655 Nos. broiler birds (2023 – 3,126,501 Nos. broiler birds) and 177,531 Nos. chicks (2023 – 189,104 Nos. chicks) were part of biological assets. During the year 40 MT of meat has been produced (2023: 41 MT).

	Parent and Group	
	2024 RO	2023 RO
Opening balance	**3,154,033**	3,002,585
Additions	**30,304,131**	14,595,552
Amortization	**(3,955,726)**	(7,024,502)
Transfer to inventories	**(26,473,427)**	(7,419,602)
Closing balance	**3,029,011**	3,154,033

17 BIOLOGICAL ASSETS (continued)

Following is the breeder birds movement which is carried at cost which part of the above table.

	Parent and Group	
	2024	2023
	RO	RO
Opening balance	**564,746**	560,295
Additions	**877,432**	398,059
Amortization	**(773,549)**	(393,608)
Closing balance	**668,629**	564,746

Biological assets include poultry for livestock of breeder chicken, hatchable eggs and broiler birds. Biological assets, except breeder chicken, are measured at fair value less cost to sell.

Breeder birds are used for captive consumption, it is uncommon to be sold before the end of its useful life and as such, there is no active market for the breeder birds in Sultanate of Oman. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed.

Breeder birds are measured at cost, less amortization and impairment losses. Breeder birds are depreciated over the production cycle which is estimated to be 9-10 months on average based on anticipated output month to month. Accordingly all breeder birds are considered as a part of current assets.

The fair values of the broiler birds and hatchable eggs have been categorised as Level 3 fair value hierarchy by management because the derived fair value depends on various entity specific inputs and estimates.

Valuation techniques and significant unobservable inputs used for valuation of broiler birds and hatchable eggs are as below:

Biological Assets	**Valuation technique**	**Significant unobservable Inputs**	**Inter-relationship between unobservable inputs and fair measurement**
Live broiler birds	Fair value: The valuation model considers the average live weight of bird, mortality and the estimated market price less cost to sell [including the additional cost required to bring the birds as ready to sell (i.e. feed cost, medicines and overhead)] and margin elimination. The company use income approach to determine the fair value.	Average weight of birds 1.240 kgs (2023: 1.262 kgs) Average Sales price of fully grown bird less cost to sell RO 1.178 (2023: RO 0.915) Mortality 4.85% (2023: 2.82%) Average yield 70.4% (2023: 76.18%)	The estimated fair value would increase/ (decrease) if: Average weight of birds higher/ (lower). Selling price of fully grown bird less cost to sell was higher/ (lower).
Hatchery Eggs	Fair value: The company use income approach to determine the fair value.	Broiler bird day old chick RO 0.210 (2023: RO 0.225) Average hatchability ranges 85.90% (2023: 85.66%)	The estimated fair value would increase/ (decrease) if the hatchability was higher / (lower).

A 1% change in the unobservable inputs would not result in a significant impact on the fair value.

17 BIOLOGICAL ASSETS (continued)

17.1 Risk management strategy related to agriculture activities

The Group is exposed to the following risks relating to its poultry. These risks and management's strategies to mitigate them are described below.

31) Regulatory and environmental risk

The Group is subject to environmental and other laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with these laws.

b) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of poultry products. When possible, the Group manages this risk by aligning its production to market supply and demand. Management performs regular industry trend analyses for projected production volumes and pricing.

18 TRADE AND OTHER RECEIVABLES

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Trade receivables (note 18.1)	**9,844,321**	11,016,554	**10,210,316**	11,016,555
Due from related parties (note 28(b))	**475,801**	571,728	**117,054**	563,837
Advances to staff and suppliers	**2,934,208**	1,436,318	**3,137,095**	1,686,831
Other receivables	**45,821**	64,092	**45,821**	108,787
VAT receivables	**596,732**	261,698	**724,528**	261,698
Prepayments	**112,997**	397,333	**149,496**	471,655
	14,009,880	13,747,723	**14,384,310**	14,109,363

18.1 Trade receivables

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Gross trade receivables	**10,516,455**	11,698,512	**10,882,450**	11,747,791
Allowance for impairment	**(672,134)**	(681,958)	**(672,134)**	(731,236)
	9,844,321	11,016,554	**10,210,316**	11,016,555

The ageing of trade receivables and the movement in provision at the reporting date is disclosed in note 29b).

Operating segments
Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board considers the business from a Group level as the Group is principally engaged in one segment which is manufacturing and distribution of poultry meat. The Group also earns revenue from rendering of services. However, such revenue is not material as compared to the Group's total revenue. The Board also considers the geographical segments. The directors review monthly analysis of these geographical segments by monitoring volume, values and the related receivables. As the directors effectively look at only one group level segment, all relevant details are as set out in the statement of comprehensive income and statement of financial position. The geographical distribution of revenue based on the reports reviewed by the directors is disclosed in Note 3. The geographical distribution of receivables is set out below:

Trade receivables	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Local	**7,738,308**	8,821,758	**8,105,576**	8,920,313
GCC countries	**2,778,147**	2,876,754	**2,776,874**	2,827,478
	10,516,455	11,698,512	**10,882,450**	11,747,791

The Group does not maintain separate segmental costing and operational results for different regions.

19 TERM DEPOSITS

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Short term deposits	**3,300,000**	3,300,000	**3,300,000**	3,300,000

Term deposits are denominated in Omani Rial and placed with Islamic banks in Oman with maturity period of one year and interest rate ranging from 4.25% to 5.5% (2023: 3% to 3.5%). These deposits are pledged against bank overdraft (note 24).

20 CASH AND CASH EQUIVALENT

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Cash on hand	**136,656**	119,259	**138,344**	120,374
Cash at bank	**805,215**	618,291	**890,951**	936,507
	941,871	737,550	**1,029,295**	1,056,881

Cash at bank balances are with commercial banks in Oman and are denominated in Omani Rial. Cash at banks includes call deposits, amounting such as RO 285,828 (2023: RO 10,677) which are short term in nature and carry interest at commercial rate i.e., 4.25%.

20.1 Reconciliation of liabilities arising from financing activity in long term loans:

Parent

	01 January 2024	Cash inflow	Cash Outflow	Interest cost	31-December 2024
Long term loans	**35,206,143**	**-**	**(1,972,777)**	**1,363,177**	**34,596,543**

Group

	01 January 2024	Cash inflow	Cash Outflow	Interest cost	31-December 2024
Long term loans	**35,480,177**	**-**	**(2,126,458)**	**1,363,177**	**34,716,896**

21 SHARE CAPITAL

a) The authorised and the issued (fully paid) share capital comprises of 120,000,000 (2023: 120,000,000) ordinary shares of 100 baisa (2023: 100 baisa).

b) The shareholders of the Company who own 8% or more of the Company's shares at 31 December 2024 and 2023 and the number of shares held by them are set out below:

	2024		2023	
	Number of Shares	**% of Holding**	Number of Shares	% of Holding
Zulal Investment Company	**39,898,654**	**33.25%**	39,898,654	33.25%
Gulf Investment Corporation	**24,008,666**	**20.01%**	24,008,666	20.01%
Al Hosn Investment SAOC	**15,890,000**	**13.24%**	15,890,000	13.24%
Salim International Investment Holding LLC (Formally known as Al Wataniyah National United Engineering & Contracting Co. LLC)	**11,999,999**	**10.00%**	11,999,999	10.00%
Social Protection Fund (Formally known as Public Authority for Social Insurance)	**11,488,361**	**9.57%**	10,650,504	8.88%

During the year, dividend paid RO 1,200,000 which is 0.010 Baisa per share. (2023: Nil). Subsequent to the year end, dividend of 0.020 Baisa per share totaling RO 2,400,000 related to the year 2024 was proposed (2023: 1,200,000).

22 LEGAL RESERVES

As required by the Commercial Companies' Law of Oman, the Parent Company and subsidiaries must set aside 10% of the profits in each year until it has built up a reserve equal to one third of its share capital. The reserve is not available for distribution.

23 OTHER RESERVE

This represent the fair value reserve with respect to equity investment held in A'Namaa Poultry Company SAOC, which is valued at fair value with any gains or losses recorded through other comprehensive income ('OCI') based on an irrevocable election made by directors and management at the time of the initial recognition of the investment. On disposal of this equity investment, any related balance within the FVOCI reserve will be transferred to retained earnings.

24 BORROWINGS

Non-current:

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Term loans from commercial banks:				
Term loan 1 (a)	**-**	-	**120,353**	274,034
Term loan 2 (b)	**30,865,400**	31,180,400	**30,865,400**	31,180,400
Term loan 3 (c)	**3,731,143**	4,025,743	**3,731,143**	4,025,743
	34,596,543	35,206,143	**34,716,896**	35,480,177
Less: current portion of term loan including interest	**(2,657,100)**	(609,568)	**(2,777,453)**	(735,964)
	31,939,443	34,596,575	**31,939,443**	34,744,213

Current:

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Current portion of term loans including interest	**2,657,100**	609,568	**2,777,453**	735,964
Short term loans (d)	**3,845,368**	12,990,253	**3,845,368**	12,990,253
Bank overdrafts (d)	**404,911**	1,100,702	**404,911**	1,100,702
	6,907,379	14,700,523	**7,027,732**	14,826,919

24 BORROWINGS (continued)

(a) Term loan 1 is denominated in Omani Rial and was availed in 2019 from a local Islamic bank by a subsidiary. The loan is subject to a profit rate of CBO private sector RO time deposit rate + 1.7% (2023: CBO private sector RO time deposit rate + 1.7%) per annum.

(b) Term loan 2 is denominated in Omani Rial and was availed in 2019 from a local Islamic bank. The loan is subject to a profit rate of base rate + 3% per annum (Base Rate is defined as "1 year Fixed Deposit Rates" published by Bank Muscat SAOG). The loan is repayable in twenty two semi-annual instalments commencing from January 2023. The loan is secured against first commercial charge on building and equipment (note 11). However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service ratio cannot exceed 1.5 times, otherwise the loan will be repayable on demand. As at 31 December 2024, the threshold was not exceeded and the Parent Company complied with the covenant. Accordingly, loan is classified as non-current at 31 December 2024.

(c) Term loan 3 is denominated in Omani Rial and was availed in 2019 from a local Islamic bank. The loan is subject to a profit rate of base rate + 3% per annum (Base Rate is defined as "1 year Fixed Deposit Rates" published by Bank Muscat SAOG). It is repayable in eighteen semi-annual instalments which commenced from April 2021. The loan is secured against first commercial charge on building and equipment (note 11). However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service ratio cannot exceed 1.5 times, otherwise the loan will be repayable on demand. As at 31 December 2024, the threshold was not exceeded and the Parent Company complied with the covenant. Accordingly, loan is classified as non-current at 31 December 2024.

(d) The Islamic overdraft RO 1million and short term loan RO 1million is renewable every three months and both are repayable on demand and therefore the carrying amounts approximate their fair values. Bank overdraft is secured by a lien over a term deposit amounting to RO 1,000,000 (2023 - RO 1,000,000), assignment of certain accounts receivable and carries interest / profit 0.75% (2023 - 0.3% to 0.4%) per annum above short term deposit rate / wakala deposit rate. The rate is subject to renegotiation with the banks upon renewal of the facilities, which generally takes place on an annual basis. However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service leverage ratio cannot exceed 3 times, otherwise the loan will be repayable on demand. As at 31 December 2024, the threshold was not exceeded and the Parent Company complied with the covenant.

25 LEASE LIABILITIES

The Group recognised lease liability in relation to leases of land, solar equipment and vehicles. The liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 6.5%.

The balance sheet shows the following amounts relating to leases:

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Lease liabilities				
Land	**1,313,963**	1,344,451	**1,661,061**	1,541,656
Solar equipment	**2,935,584**	-	**2,935,584**	-
Vehicles	**37,081**	188,156	**37,081**	188,155
Total	**4,286,628**	1,532,607	**4,633,726**	1,729,811

25 LEASE LIABILITIES (continued)

Movement of lease liabilities during the year

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Lease liabilities				
Lease liability recognised as at 1 January	**1,532,607**	1,155,064	**1,729,811**	1,748,284
Transfer from subsidiary (note: 34)	**-**	395,012	**-**	-
Addition / modification of lease liability	**2,932,973**	212,982	**3,089,965**	201,690
Interest charge (note: 8)	**164,090**	92,132	**186,496**	116,702
Payments during the year	**(343,042)**	(322,583)	**(372,546)**	(336,865)
Closing as at 31 December	**4,286,628**	1,532,607	**4,633,726**	1,729,811
Current	**299,433**	333,102	**307,739**	340,901
Non-current	**3,987,195**	1,199,505	**4,325,987**	1,388,910
Total	**4,286,628**	1,532,607	**4,633,726**	1,729,811

The statement of comprehensive income shows the following amounts relating to leases:

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Interest expense (included in note 8)	**164,090**	92,132	**186,495**	116,702
Expense relating to short-term leases (note 5)	**582,646**	1,576,079	**582,646**	1,231,082

26 END OF SERVICE BENEFITS

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**1,330,541**	1,132,118	**1,412,763**	1,222,864
Transfer from subsidiary (note 34)	**-**	17,655	**-**	-
Charge for the year (note 7)	**244,100**	341,884	**280,857**	352,329
Paid during the year	**(42,472)**	(161,116)	**(43,653)**	(162,430)
At 31 December	**1,532,169**	1,330,541	**1,649,967**	1,412,763

In accordance with the provisions of IAS 19, the management has carried out an exercise to assess the present value of its obligations as at 31 December 2024 and 2023, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law. Under this method an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment / promotion costs in line with the operating performance of the Group and expected future outlook. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 6.5% (2023 – 6.5%).

27 TRADE AND OTHER PAYABLES

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Trade payables	**2,606,767**	2,254,551	**3,217,380**	2,724,511
Due to related parties [note: 28(b)]	**2,053,618**	967,082	**716,818**	31,104
Accruals	**833,013**	284,417	**840,111**	295,366
Other payables	**5,991,930**	4,658,051	**6,247,767**	4,874,699
Retentions payable	**795,864**	802,855	**795,864**	802,855
	12,281,192	8,966,956	**11,817,940**	8,728,535

28 RELATED PARTIES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions (other related parties).

During the year, the Parent Company and Group entered into transactions with related parties in the normal course of business. The nature of significant related party transactions and the amounts involved were as follows:

(a) The following transactions were carried out with related parties:

	Relationship	Parent Company		Group	
		2024	2023	**2024**	2023
		RO	RO	**RO**	RO
Purchase of goods and services					
- A' Saffa Food Processing SPC	**Subsidiary**	**5,668,953**	4,941,047	**-**	-
- Osool Poultry SAOC	**Associates**	**4,358,707**	3,251,039	**4,358,707**	3,251,039
- Shell Oman Marketing Company SAOG	**Affiliate**	**840,525**	-	**840,525**	-
- A' Saffa Logistic LLC	**Subsidiary**	**-**	377,210	**-**	-
		10,868,185	8,569,296	**5,199,232**	3,251,039
Sales of goods					
- Osool Poultry SAOC	**Associates**	**3,071,145**	2,200,163	**3,071,145**	2,200,163
- A' Saffa Food Processing SPC	**Subsidiary**	**1,032,552**	1,004,349	-	-
- Al Meera Markets SAOC	**Affiliate**	**510,677**	502,748	**510,677**	502,748
- Mazoon Dairy	**Affiliate**	**45,381**	45,377	**45,381**	45,377
		4,659,755	3,752,637	**3,627,203**	2,748,288

(b) Year end balances arising from sales of goods and services are as follows:

	Relationship	Parent Company		Group	
		2024	2023	**2024**	2023
		RO	RO	**RO**	RO
Receivable from: (note: 18)					
- Osool Poultry SAOC	**Associate**	-	381,677	**-**	381,837
- Al Meera Markets SAOC	**Affiliate**	**79,615**	159,386	**79,615**	159,386
- Mazoon Dairy SAOC	**Affiliate**	**37,314**	22,616	**37,314**	22,614
- Ahli Bank	**Affiliate**	**125**	-	**125**	-
- A' Saffa Food Processing SPC	**Subsidiary**	**358,747**	8,049	**-**	-
		475,801	571,728	**117,054**	563,837
Payable to: (note: 27)					
- A' Saffa Food Processing SPC	**Subsidiary**	**1,336,800**	935,978	**-**	-
- Shell Oman Marketing Company SAOG	**Affiliate**	**172,503**	-	**172,503**	-
- Osool Poultry SAOC	**Associate**	**544,315**	31,104	**544,315**	31,104
		2,053,618	967,082	**716,818**	31,104

Key management benefits

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise). Total compensation accrued to key management personnel for the year ended is below.

28 RELATED PARTIES (continued)

(c) The key management personnel compensation for the year comprises:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Short-term employment benefits	**396,018**	364,441	**396,018**	364,441
End of service benefits and social security costs	**40,209**	22,825	**40,209**	22,825
	436,227	387,266	**436,227**	387,266

(d) The directors' remuneration for the year comprises:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Directors' meeting attendance fees	**45,500**	50,400	**48,900**	55,500
Directors' Remuneration	**250,000**	200,000	**250,000**	200,000
Directors' travel and related expenses	**10,840**	5,831	**10,840**	5,831
	306,340	256,231	**309,740**	261,331

29 FINANCIAL RISK MANAGEMENT

Other disclosures

Financial assets are assessed for impairment at each reporting date as disclosed below in credit risk.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has entrusted the Management with the responsibility of developing and monitoring the Group's risk management policies and procedures and its compliance with them.

(a) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and 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 optimising the return.

(i) Currency risk

Currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars, UAE Dirham, Qatari Rial, Kuwaiti Dinar and Bahraini Dinar. As these currencies are pegged to US Dollar, exposure arising on outstanding receivables in Qatari riyal, UAE Dirham, Kuwaiti Dinar and Bahraini Dinar is not material.

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group's interest rate risk arises from interest bearing financial assets and financial liabilities which are exposed to changes in market interest rates.

The Group's financial assets and financial liabilities are at fixed rates and expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favourable to the Group.

At the reporting date, the interest rate profile of the Group's interest-bearing financial assets and liabilities is:

		Parent		Group	
	Interest rate	**2024 RO**	2023 RO	**2024 RO**	2023 RO
Fixed rate instruments					
Fixed term cash deposit	4.25% - 5.5%	**3,300,000**	3,300,000	**3,300,000**	3,300,000
		3,300,000	3,300,000	**3,300,000**	3,300,000
Variable-rate instruments					
Lease liabilities	6.5%	**4,286,628**	1,532,607	**4,633,726**	1,729,811
Term loans	5.5% - 6.35%	**38,441,911**	48,196,396	**38,562,264**	48,470,430
Bank overdraft	5.5%	**404,911**	1,100,702	**404,911**	1,100,702
		43,133,450	50,829,705	**43,600,901**	51,300,943

Fair value sensitivity analysis for fixed-rate instruments
The group does not account for fixed rate instrument at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cashflow sensitivity analysis for variable-rate instruments
A reasonable change of 100 basis points in interest rates at the reporting date would have an impact of RO 4.3 million on the profit or loss.

(b) Credit risk

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

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 and Parent company's performance to developments affecting a particular industry or geographical location.

Impairment of financial assets

The Group has trade receivables which are subject to the expected credit loss model. While fixed term cash deposits, cash and bank balances and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Trade receivables

Credit is extended to corporate customers only with an objective of optimising the Group's and Parent company's profits and the prime responsibility for providing credit to customers and the timely collection of all debt rests with the functional manager. Credit has a cost to the business and necessary controls and procedures are established to manage the Group's and Parent company's credit risk and its working capital. It is, therefore, the Group's policy to have effective credit control systems in place which are flexible enough to respond to changing market needs yet rigorous enough to ensure that customer credit limits are established and regularly updated on the basis of reliable up-to-date information. The Group's twenty-five largest customers account for 79% of the outstanding accounts receivable at 31 December 2024 (2023: twenty-five largest customers: 80%).

The maximum exposure to credit risk at the reporting date is their carrying value:

	Parent Company		Group	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Break down of financial assets (at carrying amount)				
Term deposits	**3,300,000**	3,300,000	**3,300,000**	3,300,000
Bank balances	**805,215**	618,291	**890,951**	936,507
Trade receivables (gross)	**10,516,455**	11,698,512	**10,882,450**	11,747,791
Other receivables	**45,821**	64,092	**45,821**	108,787
Due from related parties	**475,801**	571,728	**117,054**	563,837
	15,143,292	16,252,623	**15,236,276**	16,656,922

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

	Parent Company		Group	
Bank	**2024**	2023	**2024**	2023
Bank balances	**RO**	RO	**RO**	RO
Alizz Islamic Bank	**150,936**	55,348	**150,936**	55,348
Ahli Bank	**125**	185	**125**	185
Bank Dhofar SAOG	**635**	773	**635**	773
Bank Muscat	**100,272**	-	**100,272**	-
Dhofar Islamic Bank	**128,924**		**128,924**	
National Bank of Oman SAOG	**325**	149,418	**83,099**	467,634
Oman Arab Bank SAOC	**113,401**	3,451	**116,243**	3,451
Meethaq Islamic Banking	**304,641**	409,116	**304,641**	409,116
Muzn Islamic Banking	**5,956**	-	**6,076**	-
	805,215	618,291	**890,951**	936,507
Fixed Term Deposits				
Oman Arab Bank SAOC	**-**	-	**-**	-
Alizz Islamic Bank	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Meethaq Islamic Banking	**2,300,000**	1,300,000	**2,300,000**	1,300,000
Bank Dhofar SAOG	**-**	1,000,000	**-**	1,000,000
	3,300,000	3,300,000	**3,300,000**	3,300,000

The above banks are rated 'NP' (issuers rate Not Prime) as per Moody's rating agency.

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Age analysis of current trade receivable is as follows:

Parent 2024	**Weighted average loss rate**	**Gross carrying amount RO**	**Expected credit loss RO**	**Net carrying amount RO**
Not past due	**3.48%**	**6,075,232**	**211,168**	**5,864,064**
< 60 days	**10.20%**	**3,661,978**	**375,133**	**3,286,845**
61-120 days	**2.90%**	**89,009**	**2,578**	**86,431**
121-180 days	**0.00%**	**12,828**	**9**	**12,819**
181-240 days	**0.01%**	**9,140**	**81**	**9,059**
> 241 days	**12.44%**	**668,268**	**83,165**	**585,103**
		10,516,455	**672,134**	**9,844,321**

Group 2024	**Weighted average loss rate**	**Gross carrying amount RO**	**Expected credit loss RO**	**Net carrying amount RO**
Not past due	**3.29%**	**6,441,227**	**211,168**	**6,230,059**
< 60 days	**10.20%**	**3,661,978**	**375,133**	**3,286,845**
61-120 days	**2.9%%**	**89,009**	**2,578**	**86,431**
121-180 days	**0.00%**	**12,828**	**9**	**12,819**
181-240 days	**0.01%**	**9,140**	**81**	**9,059**
> 241 days	**12.44%**	**668,268**	**83,165**	**585,103**
		10,882,450	**672,134**	**10,210,316**

Parent 2023	Weighted average loss rate	Gross carrying amount RO	Expected credit loss RO	Net carrying amount RO
Not past due	0.00%	6,342,958		6,342,958
< 60 days	0.01%	4,522,810	415	4,522,395
61-120 days	55.16%	162,683	89,734	72,949
121-180 days	5.66%	38,726	2,191	36,535
181-240 days	22.80%	1,298	296	1,002
> 241 days	93.54%	630,037	589,322	40,716
		11,698,512	681,958	11,016,554

Group 2023	Weighted average loss rate	Gross carrying amount RO	Expected credit loss RO	Net carrying amount RO
Not past due	0.00%	6,342,960	-	6,342,960
< 60 days	0.01%	4,522,810	416	4,522,394
61-120 days	55.16%	162,683	89,734	72,949
121-180 days	5.66%	38,726	2,191	36,535
181-240 days	22.80%	1,298	296	1,002
> 241 days	94.01%	679,314	638,599	40,715
		11,747,791	731,236	11,016,555

The related party balances and the other classes within receivables and prepayments do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

	Parent Company		Group	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Opening loss allowance as at 1 January	**681,958**	592,224	**681,958**	641,502
Decrease) / increase in loss allowance recognized in profit or loss during the year	**(9,824)**	89,734	**(9,824)**	89,734
At 31 December	**672,134**	681,958	**672,134**	731,236

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In accordance with prudent risk management, the members aim to maintain sufficient cash and an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash.

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

Parent Company		**Cash flows**			
	Carrying amount	**Contractual cash flow**	**Less than 1 year**	**More than 1 to 5 years**	**More than 5 years**
31 December 2024	**RO**	**RO**	**RO**	**RO**	**RO**
Financial liabilities					
Long term loans	**34,596,543**	**44,760,730**	**4,713,039**	**21,366,284**	**18,681,407**
Lease liabilities	**4,286,628**	**12,601,354**	**647,503**	**3,065,933**	**8,887,918**
Short term loans	**3,845,368**	**3,946,350**	**3,946,350**	**-**	**-**
Bank overdraft	**404,911**	**404,911**	**404,911**	**-**	**-**
Trade and other payables	**12,281,192**	**12,281,192**	**12,281,192**	**-**	**-**
	55,414,642	**73,994,537**	**21,992,995**	**24,432,217**	**27,569,325**

Group		**Cash flows**			
	Carrying amount	**Contractual cash flow**	**Less than 1 year**	**More than 1 to 5 years**	**More than 5 years**
31 December 2024	**RO**	**RO**	**RO**	**RO**	**RO**
Financial liabilities					
Long term loans	**34,716,896**	**44,881,083**	**4,833,392**	**21,366,284**	**18,681,407**
Lease liabilities	**4,633,726**	**13,376,728**	**670,503**	**3,818,307**	**8,887,918**
Short Term loans	**3,845,368**	**3,946,350**	**3,946,350**	**-**	**-**
Bank overdraft	**404,911**	**404,911**	**404,911**	**-**	**-**
Trade and other payables	**11,817,940**	**11,817,940**	**11,817,940**	**-**	**-**
	55,418,841	**74,427,012**	**21,673,096**	**25,184,591**	**27,569,325**

29 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Parent		Cash flows			
	Carrying amount	Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2023	RO	RO	RO	RO	RO
Financial liabilities					
Long term loans	35,206,143	48,334,224	2,716,422	20,291,779	25,326,023
Lease liabilities	1,532,607	2,286,009	419,651	394,923	1,471,435
Short term loans	12,990,253	13,287,930	13,287,930	-	-
Bank overdraft	1,100,702	1,100,702	1,100,702	-	-
Trade and other payables	8,966,956	8,966,955	8,966,955	-	-
	59,796,661	73,975,820	26,491,660	20,686,702	26,797,458

Group		Cash flows			
	Carrying amount	Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2023	RO	RO	RO	RO	RO
Financial liabilities					
Long term loans	35,480,177	48,334,224	2,568,784	20,439,417	25,326,023
Lease liabilities	1,729,812	2,397,420	431,852	447,634	1,517,934
Short Term loans	12,990,253	13,287,930	13,287,930	-	-
Bank overdraft	1,100,702	1,100,702	1,100,702	-	-
Trade and other payables	8,728,535	8,728,536	8,728,536	-	-
	60,029,479	73,848,812	26,117,804	20,887,051	26,843,957

(d) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital/equity on the basis of the debt to equity ratio.

	Parent Company		**Group**	
	2024 RO	2023 RO	**2024 RO**	2023 RO
Debt (including lease liabilities)	**43,133,450**	50,829,705	**43,600,901**	51,300,943
Capital/equity	**41,128,123**	36,605,786	**45,061,577**	40,359,839
Debt to equity ratio (times)	**1.049**	1.389	**0.968**	1.271

(e) Fair value of financial instruments

For assets subsequently measured at FV refer to notes 16 and 17 for fair value measurement techniques and disclosures. The carrying value of the remaining financial assets and liabilities approximate their fair value.

30 COMMITMENTS

(a) Purchase commitments

At 31 December 2024, the Parent Company and Group had purchase commitments amounting to RO 3,185,387 (2023: RO 1,138,911) mainly relating to purchase of raw material.

(b) Capital commitments

At 31 December 2024, the Parent Company and the Group had RO 255,524 (2023: RO 2,282,551).

(c) Guarantees

(i) At 31 December 2024, there was contingent liability in respect of guarantee given in the normal course of business amounting to RO 1,332,969 (2023 - RO 1,100,000) from which it is anticipated that no material liabilities will arise.

31 BASIC EARNINGS PER SHARE

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

	Parent Company		Group	
	2024	2023	**2024**	2023
Profit for the year (RO)	**5,722,337**	2,488,270	**5,901,738**	2,589,992
Weighted average number of shares outstanding during the year	**120,000,000**	120,000,000	**120,000,000**	120,000,000
Earnings per share - Basic and diluted (RO)	**0.048**	0.021	**0.049**	0.022

32 DILUTED EARNINGS PER SHARE

The Parent Company or Group has no potentially dilutive instruments, the dilutive earnings per share are same earning as per note 31.

33 NET ASSETS PER SHARE

Net assets per share are calculated by dividing the shareholders' funds by the number of shares at the end of the reporting year.

	Parent Company		Group	
	2024	2023	**2024**	2023
Net assets – shareholders' funds (RO)	**41,128,123**	36,605,786	**45,061,577**	40,359,839
Number of shares at the end of the year	**120,000,000**	120,000,000	**120,000,000**	120,000,000
Net assets per share (RO)	**0.342**	0.305	**0.376**	0.336

34 ACQUISITION OF SUBSIDIARY

During the previous year, the A' Saffa Logistic Company (the wholly owned subsidiary of Parent) has been acquired by Parent Company (A' Saffa Foods SAOG). The transaction was considered as common control transection (note 2.2(y)). The acquisition was effective from the 01st July 2023.

The following table summarizes the book value of recognized amounts of the net assets acquired as at date of acquisition:

	2023 RO
Assets acquired	
Property, plant and equipment	881,006
Right of use assets	336,502
Investment properties	2,431,638
Intangible assets	477
Trade and other receivables	87,340
Cash and bank balances	20,798
	3,757,761
Liabilities acquired	
Due to related party	(352,973)
Lease liability	(395,012)
Employees terminal benefits	(20,739)
Deferred tax liability	(51,119)
Trade and other payables	(123,654)
Income Tax liabilities	(85,142)
	(1,028,639)
Net Assets acquired	**2,729,122**
Parent Company Investment Net off	**1,600,000**
Excess of net assets acquired over investment value taken to retained earnings	**1,129,122**

Post-acquisition investment properties acquired from A' Saffa Logistic LLC has been classified under property, plant and equipment as a property used by parent company (note 10).

35 DIVIDEND INCOME

During the year 2024, the Board of Directors of the subsidiary declared and paid dividend in an amount RO 540,000 (2023 RO: 540,000).

المناسبات والفعاليات
Occasions and events

Gulfood

معرض جلفود

هوريكا عمان

Horeca Oman

معرض الكتاب

Book Fair

BBQ

فوز فريق الصفاء للاغذية بلقب بطولة
كأس مدينة الرسيل الصناعية لكرة القدم 2024

A'Saffa Foods team wins the Rusayl Industrial City Football Cup Championship 2024

مهرجان عمان للعلوم Oman Science Festival

AGRO FOOD
اجرو فود