



شركة ظفار الدولية للتنمية
والاستثمار القابضة ش.م.ع.
DHOFAH INTERNATIONAL DEVELOPMENT
& INVESTMENT HOLDING CO. S.A.O.G

RIGHTS ISSUE PROSPECTUS

Rights Issue of 150,526,316 shares at 190 Baizas per share (with a share price of Baizas 190 per share where the Company shall bear all fees and expenses)

RIGHTS TRADING PERIOD

Opening Date: 20 June 2021

Closing Date: 27 June 2021

SUBSCRIPTION PERIOD

Opening Date: 21 June 2021

Closing Date: 30 June 2021



Financial Advisor &
Issue Manager



Legal Advisor

Zaid Al Malki &
Nasser Al- Tabeeb

Collecting Bank





His Majesty Sultan Qaboos Bin Said (Late)
(May God rest his soul in peace)



His Majesty Sultan Haitham Bin Tarik



DHOFAR INTERNATIONAL DEVELOPMENT
& INVESTMENT HOLDING CO. S.A.O.G

PROSPECTUS



Dhofar International Development & Investment Holding Company SAOG

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Tel : +968 2421 0335 Fax: +968 2329 1500

www.didic.com

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This Prospectus has been prepared in accordance with the applicable guidelines stipulated by the Capital Market Authority of Sultanate of Oman. This is an unofficial English version of the original Prospectus prepared in Arabic and approved by Capital Market Authority vide its Administrative Decision no.kh/57/2021 dated 6 June 2021. In the event of any conflict between the English and Arabic versions of the Prospectus, the Arabic version will prevail. The Capital Market Authority assumes no responsibility for the accuracy and adequacy of the statements and information contained in the Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.



IMPORTANT NOTICE TO INVESTORS

All investors are advised to read this notice

The aim of this Prospectus is to present material information that may assist investors in making an appropriate decision as to whether or not to invest in the shares of Dhofar International Development and Investment Holding Co SAOG (the Company) offered hereunder (the Shares).

This Prospectus contains all material information and data and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor's decision as to whether or not to invest in the Shares.

The Board of Directors of the Company are jointly and severally responsible for the integrity and adequacy of the information contained in this Prospectus and confirm that, to their knowledge, appropriate due diligence has been carried out in the preparation of this Prospectus and further confirm that no material information has been omitted, the omission of which would render this Prospectus misleading.

All investors should examine and carefully review this Prospectus in order to decide whether it would be appropriate to invest in the Shares by taking into consideration all the information contained in this Prospectus. Investors should not consider this Prospectus a recommendation by the Company, the Board, the Issue Manager, or the Legal Advisor to subscribe for the Shares. Each investor shall bear the responsibility of obtaining independent professional advice on their investment in the Shares and should conduct an independent evaluation of the information and assumptions contained herein using appropriate analysis or projections he/she sees fit as to whether or not to invest in the Shares.

It is noteworthy that no person has been authorized to make any statements or provide information on the Company or the Shares other than the persons whose names are indicated in this Prospectus. Where any other person makes any statement or provides information in this Prospectus, it should not be taken as authorized by the Company, the Issue Manager, or the Legal Advisor.

Important Points

This Prospectus includes relevant information that is deemed important and neither includes any misleading information nor excludes any material information, the omission of which may materially influence any investor's decision pertaining to the investment in the offered securities through this Prospectus. All summaries of documents or provisions of documents provided in this Prospectus should not be relied upon as being comprehensive statements in respect of such documents and are only to be seen as being a summary of such documents.

All market investments carry various risks including market risks to varying degrees. The value of any security can fall as well as rise depending on the market conditions.



Additional Points to be Noted

References to documents

All summaries of documents referred to in this Prospectus may not provide a complete summary of such documents, and statements in this Prospectus relating to such documents may not be exact reproductions of such documents or parts thereof and should not be relied upon as being comprehensive statements in respect of such documents.

Scope of information

The information contained in this Prospectus is intended to provide a prospective Applicant with adequate information relating to the investment opportunity and background information on the Issue. However, this Prospectus does not necessarily contain all the information that a prospective Applicant may consider material. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective Applicant should consult his own lawyer, financial advisor, or tax advisor for legal, financial or tax advice in relation to any purchase or proposed subscription to the Issue.

Investor due diligence

Prior to making any decision as to whether to subscribe to the Issue, prospective Applicants should read this Prospectus in its entirety. In making an investment decision, prospective Applicants must rely upon their own examination of the terms of this Prospectus and the risks involved in making an investment.

Restrictions on distribution of this Prospectus

The distribution of this Prospectus and the Issue may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer or an invitation by or on behalf of the Company to any person in any jurisdiction outside Oman to purchase any of the Shares where such offer or invitation would be unlawful. The Company and the Issue Manager require persons into whose possession this Prospectus comes, to inform them of and observe, all such restrictions. None of the Company or the Issue Manager accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for Shares by any person, whether or not a prospective Applicant, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe would be unlawful.

Restrictions on use of information contained in this Prospectus

The information contained in this Prospectus may not be published, duplicated, copied, or disclosed in whole or in part or otherwise used for any purpose other than in connection with the Issue, without the prior written approval of the Company and the Issue Manager other than the purpose it has been issued for.

Disclaimer of implied warranties

Save and except as required under applicable law and regulations, no representation or warranty, express or implied, is given by the Company or the Issue Manager, or any of their respective directors, managers, accountants, advisers, lawyers, employees, or any other person as to the completeness of the contents of this Prospectus; or of any other document or information supplied at any time in connection with the Issue; or that any such document has remained unchanged after the issue thereof.



FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that constitute statements relating to intentions, future acts, and events. Such statements are generally classified as "forward-looking" statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events, and circumstances to materially differ from the way implicitly portrayed within this Prospectus. The use of any of the words "aim", "anticipate", "continue", "estimate", "objective", "plan", "schedule", "intend", "expect", "may", "will", "project", "propose", "should", "believe", "will continue", "will pursue" and similar expressions may be intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect current expectations regarding future results or events and are based on various estimates, factors, and assumptions. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct.

Moreover, forward-looking statements involve inherent risks, uncertainties and assumptions and are made as at the date they are made and should not be relied upon as representing the Company's estimates as of any subsequent date.

The Company cautions investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. These factors include, but are not limited to, the following:

- The Company's business, operations and performance of its investee companies;
- Changes in the regulatory, legal and fiscal conditions that may have a bearing on the business of the Company, and/or its investee companies;
- General political, economic and business conditions in Oman which may have an impact on the business activities of the Company and/ or its investee companies;
- Any fluctuations in foreign exchange rates, local or international inflation, market prices or other rates or prices;
- Inability to estimate future performance;
- Performance of the Omani economy; and
- Other factors described in Chapter 12 (Risk Factors and Mitigants) of this Prospectus.

The Company offers no assurance that forward-looking statements will materialize. Neither the Company nor the Issue Manager nor any of their respective affiliates intends to nor has any obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, unless required by applicable law.

The risk factors described above do not comprise all of the important factors that could cause actual results to differ materially from those presented in the forward-looking statements in this Prospectus, see Chapter 12 "Risk Factors and Mitigants" of this Prospectus. The Company will adhere to the disclosure rules and regulations issued by the CMA, which includes making timely disclosure regarding the Company's results of operation. The Company advises investors to track the information or announcements made by the CMA through the MSX website at www.msx.om.



PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issue Manager has not independently verified any of the financial or other data prepared by the Company.

Unless stated otherwise, the financial data in this Prospectus is derived from the Company's audited financial statements or its unaudited interim financial statements, in each case prepared in accordance with IFRS. Copies of the Company's financial statements are available on the MSX website (www.msx.om) or on the Company's website.

The Company's financial year commences on 1 January and ends on 31 December of each year.

In this prospectus, any discrepancy between the total and the sum of the relevant amounts listed is due to rounding.

Currency of presentation

All references to "Rials" or "OMR" are to Omani Rials, the official currency of Oman. The Omani Rial is pegged to the United States Dollar and the pegged exchange rate is 1 US\$ = 0.385 Omani Rial. 1 Omani Rial is comprised of 1,000 Bzs.

Summary and extracts of documents

Any summaries of documents or extracts of documents contained in this Prospectus should not be relied upon as being comprehensive statements in respect of such documents.

Industry and market data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Prospectus is reliable, it has not been independently verified and therefore its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Similarly, internal company reports, while believed to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.



CONTENTS

CHAPTER 1:	DEFINITIONS / ABBREVIATIONS	9
CHAPTER 2:	SUMMARY OF THE ISSUE	11
CHAPTER 3:	USE OF PROCEEDS AND ISSUE EXPENSES	14
CHAPTER 4:	ALLOTMENT OF UNSUBSCRIBED SHARES	15
CHAPTER 5:	COMPANY'S OBJECTS AND APPROVALS	16
CHAPTER 6:	MAJOR SHAREHOLDERS OF THE COMPANY	18
CHAPTER 7:	OVERVIEW OF THE OMAN ECONOMY	19
CHAPTER 8:	OVERVIEW OF THE COMPANY AND ITS BUSINESS	23
CHAPTER 9:	HISTORICAL FINANCIAL STATEMENTS	28
CHAPTER 10:	SHARE PRICE MOVEMENT AND DIVIDEND POLICY	37
CHAPTER 11:	RELATED PARTY TRANSACTIONS	39
CHAPTER 12:	RISK FACTORS AND MITIGANTS	40
CHAPTER 13:	THE COMPANY'S ORGANIZATION AND MANAGEMENT	45
CHAPTER 14:	PRICE JUSTIFICATION	54
CHAPTER 15:	RIGHTS AND LIABILITIES OF SHAREHOLDERS	55
CHAPTER 16:	SUBSCRIPTION CONDITIONS AND PROCEDURES	57
CHAPTER 17:	UNDERTAKINGS	65



CHAPTER 1: DEFINITIONS/ABBREVIATIONS

Additional Shares	Additional Shares mean additional Offer Shares applied for by a Shareholder in addition to such Shareholder's rights entitlement.
Allotment Date	The date on which CMA approves the allotment of Offer Shares to successful Applicants.
Applicant	Shareholders who are eligible as at the Record Date for subscription to the Rights Issue or a person who has purchased a rights entitlement through the MSX and who submits their completed Application Form to the Collecting Bank on or before the issue closing date.
Application Form	The application form required to be completed by an Applicant for subscribing to the issue.
Articles	Articles of Association of the Company as registered with MOCI and CMA, as may be amended from time to time in accordance with the provisions as contained therein.
Baiza	One thousandth of Omani Rial (1000 Baizas = 1 Omani Rial)
Board/ Board of Directors	The Company's Board of Directors elected by the Company's shareholders from time to time in accordance with the Articles, the CCL and other regulations and bylaws promulgated by the CMA.
Business Day	A day, other than a Friday, Saturday or a public holiday, on which banks and the MSX are open for general business in Muscat, Oman.
CCL	Commercial Companies Law of Oman promulgated by Royal Decree 18/2019 and the amendments thereto.
CMA	Capital Market Authority of Oman.
Code	The Corporate Governance Code for public listed companies issued vide CMA Circular No. E/4/2015 on 22/7/2015.
Director	A member of the Board of Directors of the Company.
Financial Advisor/ Issue Manager	Ahli Bank SAOG PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Oman Tel : +968 2457 7000 Fax : +968 2456 8001
Financial Year	The financial year of the Company commencing from 1st January and ending on 31st December or as may be amended by the Shareholders in accordance with the Articles.
Government	Government of the Sultanate of Oman.
Issue/ Rights Issue	The rights issue of the Shares made under this Prospectus.



Issuer	Dhofar International Development & Investment Holding Company SAOG.
Laws of Oman	The laws of Oman in the form of Royal Decrees, Ministerial Decisions, CMA regulations etc. as the same may have been, or may from time to time be enacted, amended, or re-enacted or issued.
MCDC	Muscat Clearing and Depository Company SAOC.
MOCI	Ministry of Commerce, Industry and Investment Promotion of the Sultanate of Oman.
MSX	Muscat Stock Exchange of Oman.
Offer Shares	The Shares that are the subject of the Rights Issue.
Oman	Sultanate of Oman.
Omani Rial/ OMR/ RO	The lawful currency of Oman. Each Omani Rial is equivalent to 1,000 Baizas.
Prospectus	Means this Prospectus, as approved by the CMA.
Record Date	The date as on which the Shareholders whose names are registered in the MCDC records will be eligible to subscribe to the Rights Issue.
Shares	The ordinary shares of the Company.
Shareholders	The shareholders of the Company.
Subscription Price/ Issue Price	The subscription price per Offer Share, payable by an Applicant, as stated in this Prospectus.



CHAPTER 2: SUMMARY OF THE ISSUE

Issuer	Dhofar International Development & Investment Holding Company SAOG.
Commercial Registration Number	2039826 established on 9 December 1987.
Principal Place of Business	PO Box 2163, Postal Code 211, Al Souq Al Markazi, Salalah, Oman
Company's Duration	Unlimited.
Authorized Share Capital	RO 75,000,000
Issued & Paid-Up Capital (pre-issue)	RO 25,872,000 divided into 258,720,000 shares
Issued & Paid-Up Capital (post-issue)	RO 54,472,000 divided into 409,246,316 shares
Issue Size	150,526,316 shares offered at Baizas 190 per share aggregating to RO 28,600,000
Issue Price	Baizas 190 per Offer Share, consisting of issue price of Baizas 190, payable in full on submission of Application Form, with the Company bearing all fees and expenses.
Purpose of the Issue	The purpose of the Rights Issue is to settle, in full, the face value and accrued interest on the unsecured, subordinated, non-convertible bonds issued by the Company on 23 December 2019.
Issue Subscription Period	Opening Date: 21 June 2021 Closing Date: 30 June 2021
Record date	The Record Date is 14 June 2021 where each shareholder is entitled to 58.18 Offer Shares for every 100 shares held as on the Record Date, i.e., one Offer Share for every 1.72 Shares held on the Record Date.
Rights Trading Period	Opening Date: 20 June 2021 Closing Date: 27 June 2021
Rights Entitlement	Every shareholder as on the Record Date is entitled to approximately 58.18 Offer Shares for every 100 shares held as on the Record Date i.e., 1 Offer Share against approximately every 1.72 shares held on Record Date, duly rounded down in the case of fractional entitlements.



**Eligibility for
Subscription**

Subscription for the Rights Issue is open to the Shareholders whose names appear in the Company's shareholder register with the MCDC as on the Record Date. Persons who purchase the rights on the MSX within the trading period of the Rights Issue are also eligible to subscribe for the Offer Shares before the Rights Issue closes. The 'rights' representing ownership rights of Shareholders to subscribe to the Rights Issue may be traded on the MSX during the period prescribed for that purpose. A Shareholder has the option to either subscribe to the Rights Issue or sell the 'rights' entitlement on the MSX. The eligibility to subscribe for Offer Shares shall lapse in case the Shareholder neither exercises his/her right of subscription to the Rights Issue nor sells its 'rights' on the MSX during the prescribed period.

**Application for
Additional Shares**

Shareholders as on the Record Date may apply for Additional Shares and shall fill in the required details in the Application Form and submit it to Collecting Bank along with requisite subscription amount.

A Shareholder who does not subscribe to his/her full rights entitlement or sells his/her rights entitlement (either in part or in full) is not eligible to apply for Additional Shares.

A non-shareholder who has bought rights entitlement is not eligible to apply for Additional Shares.

The application and allotment of Additional Shares shall be subject to the terms and conditions stipulated in Chapter 16.

Allotment

The Offer Shares shall be allotted against valid Application Forms submitted by Applicants and investors who have acquired the Rights on the MSX, subject to the provisions of Chapter 16. The Offer Shares shall be allotted, and refunds will be made (if required) within 3 Business Days from the Allotment date, after obtaining CMA approval for allotment. The Applicant, after the announcement of the allotment, shall ensure that the allotted shares are appearing in its account with MCDC.

**Subscriptions by the
Company's bondholders**

Based on the resolution of the extraordinary general meeting of shareholders held on 31 March 2021 and the approval of bondholders in the bondholders' meeting held on 27 April 2021, the subscription price for the Rights, Additional Shares, or allotted shares with respect to any private placement (if any) applied for bondholders shall be settled against the face value and accrued interest of the bonds held by applying bondholders. On that basis, the holder of each bond shall be entitled to 0.6 shares of the Company, duly rounded.



Unsubscribed Shares	Unsubscribed shares shall be allocated to the holders of the Company's subordinated, unsecured, non-convertible bonds based on the resolution of the Company's extraordinary general meeting of shareholders held on 31 March 2021, against amounts owed to bondholders, being the face value and accrued interest on the bonds.
Refund of Application Money	Refund of application money, if any, shall be made to the Applicants, within 3 Business Days of Allotment.
Listing	As the shares of the Company are already listed on the MSX, the Offer Shares shall also be listed on the MSX.
Approvals for the Issue	<ul style="list-style-type: none">• Board approval vide its resolution at its meeting on 29 May 2021• Approval of the Company's extraordinary general meeting of shareholders held on 31 March 2021• Approval of the Company's bondholders in the bondholders meeting held on 27 April 2021• CMA approval of this prospectus vide its Administrative Decision No. kh/57/2021 dated 6 June 2021
Financial Advisor & Issue Manager	Ahli Bank SAOG PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Oman Tel : +968 2457 7000 Fax : +968 2456 8001
Legal Advisor to the Issue	Zaid Al Malki & Nasser Al-Tabeeb Advocacy & Legal Consultancy PO Box 1118, Postal Code 133, Muscat, Oman Tel : +968 2457 5841 Fax : +968 2457 5844
Statutory Auditor for the fiscal year 2021	Crowe Mak Ghazali LLC PO Box 971, Postal Code 131, Muscat, Oman Tel : +968 2403 6300 Fax : +968 2458 7588
Collecting Bank	Ahli Bank SAOG PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Oman Tel : +968 2457 7922 Fax : +968 2456 2120



CHAPTER 3: USE OF PROCEEDS AND ISSUE EXPENSES

Use of proceeds

The purpose of the Rights Issue is to prepay, in full, the face value and accrued interest on the unsecured, subordinated, non-convertible bonds issued by the Company on 23 December 2019, amounting to OMR 28,600,000 as on 30 June 2021.

Estimated issue expenses

The issue expenses of the Rights Issue are estimated at RO 105,950 which is equal to approximately 0.37% of the total gross proceeds of the Rights Issue, assuming full subscription. The issue expenses will be borne entirely by the Company. The estimated issue expenses under various heads are given in the following table:

Particular	Amount (RO)*
Financial advisor and Issue Manager fees	38,500
Legal advisor fees	13,650
CMA fees	14,300
MCDC fees	10,000
Marketing, advertising, printing, postage and publicity	10,000
Collecting bank fee	9,500
Other expenses	10,000
Total estimated issue expenses	105,950

* These are estimates, exclude any applicable taxes such as VAT and may change as per actuals.



CHAPTER 4: ALLOTMENT OF UNSUBSCRIBED SHARES

In accordance with the Extraordinary General Meeting dated 31 March 2021, the Shareholders approved that the Company shall allot the unsubscribed portion of the Rights Issue (if any) at an issue price equivalent to the Issue Price (190 Baizas) to holders of the Company's unsecured, subordinated, non-convertible bonds as at the Record Date, which are not redeemed from the proceeds of this Rights Issue. This ensures that the purpose of the Rights Issue, as described in Chapters 2 and 3 of this Prospectus, taking into account that the Company will settle all subscription amounts from the settlement proceeds of bondholders, composed of the face value of the bonds and all accrued interest based on the approval of bondholders in the bondholders' meeting held on 27 April 2021.



CHAPTER 5: COMPANY'S OBJECTS AND APPROVALS

5.1. Overview

The Company was established as an Omani investment holding company and public joint stock company on 9 December 1987 under commercial registration number 2039826. The Company's investments are diversified across various sectors such as banking, financial services, manufacturing, insurance, utility, hospitality and medical supplies. The Company's equity shares are listed on the MSX. Its principal place of business is in Salalah and its registered office is at PO Box 2163, Postal Code 211, Al Souq Al Markazi, Salalah, Oman. The Company's website address is www.didic.com, its telephone number is (+968) 2421 0335 and its fax number is (+968) 2329 1500.

The table below highlights the material licenses / certificates held by the Company:

Authority	Description	Expiry Date
MOCIP	Commercial Registration No. 2039826	11 April 2023
Oman Chamber of Commerce and Industry	Membership Certificate No. 96	31 December 2021

5.2. Objects of the Company

Under the Articles of Association, the objects for which the Company is established are as stated below:

- (a) Manage its subsidiary companies and participate in the management of other companies, in which it holds shares;
- (b) Invest in funds in shares, bonds and securities;
- (c) Provide loans and securities to the companies in which it holds shares and finance its subsidiaries and guarantee them in respect of third parties; and
- (d) Own patents, trademarks, concessions and other incorporeal rights, utilise them and lease them to its subsidiaries and other companies.

The Company may, to achieve its objects, undertake all necessary actions to remedy financing structures and the path of its subsidiaries; own fixed and moveable assets, allocated for its business needs; and in general, the Company is entitled to undertake all business transactions, conclude all contracts, and take all actions, which it may find suitable to fulfil its aims under the terms and by means that are deemed appropriate to the Company.



5.3. Approvals

5.3.1. Shareholders' Approval

At an extraordinary general meeting held on 31 March 2021, the Shareholders of the Company approved:

- (a) Increasing the Company's authorized share capital from OMR 50 million to OMR 75 million.
- (b) Increasing the Company's paid-up capital from OMR 25,872,000 to no more than OMR 55,000,000 through a rights issue.
- (c) The prepayment and redemption of the Company's outstanding unsecured bonds issued on 23 December 2019 at the bond's face value of OMR 25,018,396 and all accrued interest until the date of closing of subscriptions for the rights issue.
- (d) The settlement of rights issue subscription cost for shareholders who are also bondholders from the bond redemption amount owed to such shareholders/bondholders, with such amount being the sum of the face value of outstanding bonds held by such shareholders/bondholders and accrued interest till the date of closing of subscriptions for the rights issue.
- (e) The allotment of any shares unsubscribed for in the rights issue, if any, to bondholders who are also shareholders and the use of bond redemption amounts owed to them to settle such subscription cost.
- (f) The amendment of Article 5 of the Company's articles to reflect the resolutions above.
- (g) To authorise the Board of Directors or any person authorized by the Board to take all necessary action and to sign all documents in relation to the Issue on behalf of the Company after that.

5.3.2. CMA Approval

The CMA approved this Prospectus through its Administrative Decision No. kh/57/2021 dated 6 June 2021.

5.3.3. Bondholders' Approval

At a general meeting of bondholders held on 27 April 2021, the bondholders of the Company approved:

- (a) Approving the cancellation and redemption of the bonds issued by the company according to the issuance prospectus approved by the Capital Market Authority by Administrative Decision No. 85/2019, on 24 October 2019. This is part of the company's capital restructuring plan.
- (b) The settlement of rights issue subscription cost for shareholders who are also bondholders, including overallotment shares, from the bond redemption amount owed to such shareholders/bondholders, with such amount being the sum of the face value of outstanding bonds held by such shareholders/bondholders and accrued interest till the date of closing of subscriptions for the rights issue.
- (c) The settlement of any amounts owed to bondholders, if any, following the conclusion of the Company's rights issue.



CHAPTER 6: MAJOR SHAREHOLDERS OF THE COMPANY

The significant shareholders of the Company owning 5% or more of its share capital as on 28 March 2021 are as follows:

Shareholder	Nationality	Class of shares	Shares held	% Holding
Muscat Overseas LLC	Omani	Equity shares	43,322,388	16.7%
Abdul Hafidh Salim Rajab Al Aujaili	Omani	Equity shares	31,540,666	12.2%
Al Anwar International Investment LLC	Omani	Equity shares	21,541,595	8.3%
Fincorp Investments LLC	Omani	Equity shares	19,134,693	7.4%
Civil Services Employees' Pension Fund	Omani	Equity shares	16,746,081	6.5%
Dhofar Cattlefeed Company SAOG	Omani	Equity shares	14,494,725	5.6%
Dr. Mohammed Musa Abdulla Al Yousef	Omani	Equity shares	14,340,508	5.5%
Royal Oman Police Retirement Fund LLC	Omani	Equity shares	13,176,976	5.1%

(Source: MCDC)



CHAPTER 7: OVERVIEW OF THE OMAN ECONOMY

7.1. Location

Strategically positioned at the crossroads of Asia and Europe, Oman has historically been a centre of trade and commerce. With a land area of 309,500 square kilometres, Oman is a country with stable political, economic and social systems. Oman is administratively divided into 11 governorates (Al Dakhiliya, A'Dhahirah, Al Batinah North, Al Batinah South, Al Buraimi, Al Wusta, Al Sharqiyah North, Al Sharqiyah South, Dhofar, Muscat and Musandam), which are further divided into 61 provinces or wilayats. Oman's capital city is Muscat (in the Muscat Governorate), which is situated on the north-east coast of the country.

7.2. Government

His Majesty Sultan Haitham bin Tariq Al Said came to power in 2020 and as Head of State, presides over the Council of Ministers. The Council of Ministers assists His Majesty in framing and implementing the general policies of Oman. The Basic Law serves as the basis of a constitution governing state affairs. The Basic Law establishes a bicameral system of elected representatives with advisory powers and numerous civil liberties for the population. Members of each chamber serve in an advisory capacity, although members of the Majlis Al Dawla and Majlis Al Shuraa may also propose legislation.

7.3. International Relations

Oman maintains strong relations with its neighbours, as well as a wide range of Western and other countries. Oman has enjoyed political and economic stability over the past 50 years and is a member of various prominent international organizations, including the United Nations, the International Monetary Fund, the International Bank for Reconstruction and Development, and the World Trade Organization.

Regionally, Oman is a founding member of the GCC (alongside five other Arab Gulf states: Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates). Oman is also a member of the GCC's permanent Petroleum Cooperation Committee which is charged with preparing the long-term petroleum strategy of the GCC in accordance with sustainability goals.

7.4. Key Economic and Social Indicators

The following table shows a selection of key economic and social statistics for Oman for the periods indicated:

	2014	2015	2016	2017	2018	2019
GDP at market prices (OMR billions)	31.02	26.3	25.2	27.1	30.7	29.3
Population (millions)	3.99	4.16	4.41	4.56	4.60	4.62
Per Capita GDP at market prices (OMR)	7,770	6,323	6,157	5,953	6,667	6,356
Annual inflation	1.0%	0.1%	1.1%	1.6%	0.9%	0.1%
MSX market capitalization (OMR billions)	14.5	15.8	17.3	17.9	18.2	18.8

Sources: NCSI (population), CBO Annual Reports (GDP), MSX Annual Statistical Bulletin (Market Cap.)



7.5. Economy

Oman has a credit rating of “B+(stable outlook)” by Standard & Poor’s, “Ba3 (negative outlook)” by Moody’s Investors Service, “BB- (negative outlook)” by Fitch as of 3 May 2021. The Omani Rial is pegged to the US Dollar at a fixed exchange rate of US\$1 = OMR 0.385.

Since the discovery of oil, its extraction and exportation has served as the backbone of Oman’s economy and is the principal contributor to the Government’s revenues, exports, and Gross Domestic Product (GDP). The Dubai Mercantile Exchange’s Oman Crude Oil Futures Contract is now the third of three global crude oil benchmarks and sets the benchmark export price for crude oil produced in Oman and Dubai. Oman is the world’s 21st largest producer of oil, as well as the 26th largest producer of gas, and held the world’s 21st largest proven oil reserves and 28th largest proven gas reserves, according to The World Factbook published by the US Central Intelligence Agency. The Government continues to focus on diversification of the economy to gradually reduce its dependence on oil and hydrocarbon revenues, which still represents between 68% and 85% of government revenues depending on the fluctuations in commodity prices. Oman is using enhanced oil recovery techniques to boost production, but it has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector’s contribution to GDP. The key components of the government’s diversification strategy are tourism, shipping and logistics, mining, manufacturing, and fisheries / aquaculture.

7.6. Public Finance

The data in this section is based on information gathered from publications of the NCSI, the Central Bank of Oman and other public sources.

The Financial Affairs and Energy Resources Council (FAERC) is responsible for Oman’s fiscal policy, including the endorsement of the annual general state budget. A net fiscal deficit of OMR 4.2 billion was recorded in 2020 (provisional), compared with a net fiscal deficit of OMR 2.6 billion in 2019. The higher deficit in 2020 was primarily driven by the COVID-19 pandemic and the decline in crude oil prices which led to lower revenues.

Government revenues declined by 20% to RO 8,464 million during 2020, after witnessing a decline of 3% percent during 2019. The decline in revenues was mainly driven by a drop in hydrocarbon revenues and capital revenues.

Government expenditure declined by 1.7 percent in 2020 following a decrease of 2.9 percent during 2019. The decline in expenditure was contributed by a drop in both current and capital expenditure, reflecting a resolve towards fiscal consolidation.

7.7. Development Plans

The 10th Five Year Development Plan, covering the period 2021 – 2025, presents the first executive plan for paving the way to implement vision 2040 and is considered as a starting point for achieving fiscal sustainability and economic growth. It focuses on arranging spending priorities in light of the various changes in the local and global economic situation to ensure high economic growth rates. The plan contains more than 80 strategic goals, 340 programs, 14 national priorities, and 4 main themes,



focusing on economic diversification mechanisms and programs and increasing the contribution of non-oil sectors and activities. The plan sets a target for growth in the gross domestic product of non-oil activities, by focusing on sectors such as manufacturing industries with high technological content, agriculture and fisheries, fish farming, agricultural and food processing, transport, tourism, storage and logistics.

The four themes that summarize the Development Plan are:

- Society manned by creative individuals: the focus of this theme is on education, research, national talents, health, citizenship, identity, and heritage amongst others.
- Economy embedded in a competitive environment: This theme deals with issues of leadership, economic management, economic diversification, fiscal sustainability, employment, the role of the private sector, international cooperation, development of governorates, sustainable cities and information technology.
- Environment whose resources are sustainable: the focus of this theme is on the conservation of the environment and natural resources of the country.
- A state with responsible institutions: this theme provides guidance on governance of the state's administrative apparatus, resources and projects.

Under the Development Plan, the Ministry of Economy intends to pursue the following major goals over the next five years:

- Achieve a surplus of OMR 65 million in 2025 as compared to the current deficit of OMR 4.2 billion in 2020.
- Reach an average real GDP growth rate of a minimum of 3.5% overall and a minimum of 3.2% in the non-oil sector.
- Provide 135,000 jobs to nationals over the next five years in the public and private sector.
- Increase private sector's contribution to reach up to 60% of the total investment.
- Attract more Foreign Direct Investment (FDI) in oil and non-oil sectors to reach 10% of GDP.
- Leverage on information technology systems to facilitate quicker approvals and mitigate delays in project execution.

The Plan also sets out a set of performance indicators aimed to measure the results of initiatives introduced.

7.8. Currency and Financial System

The Oman Rial is the official currency of Oman. It is divided into 1,000 Baizas. From 1973 to 1986, the OMR was pegged to US\$ at 1 Rial = 2.895 dollars. In 1986, the rate was changed to 1 Rial = 2.6008 dollars, which translates to approximately 1 US\$ = 0.384497 Rial. The CBO buys US\$ at 0.384 Rial and sells US\$ at 0.385 Rial.



The CBO was established in December 1974 by the Banking Law which sets out its functions and responsibilities. The CBO sets monetary policy independently after consulting with the Government about its fiscal policy objectives. The CBO also provides advice to the Government on economic policy. In addition to the formulation and implementation of monetary policy, these include regulation and supervision of the banking system and the execution of foreign currency transactions on behalf of the Government. The financial sector comprises commercial banks, Islamic banks, specialized banks, non-bank finance and leasing companies and money exchange houses.

The CMA commenced its duties on 9 January 1999. The CMA is a Government entity with financial and administrative independence. The principal role of the CMA is to supervise the capital market and insurance sectors in Oman and to develop the legal framework governing the same. A number of entities are regulated by the CMA, including the MSX. The CMA also aims to promote market efficiency for investors and raise awareness of investor rights and the importance of the capital market.



CHAPTER 8: OVERVIEW OF THE COMPANY & ITS BUSINESS

8.1. Business Overview

The Company is registered as an Omani Public Joint Stock Company. It was established in Oman on 9 December 1987 with commercial registration number 2039826 by Ministerial Decree No. 127/87. The Company's principal activities comprise of investment in businesses, marketable securities and promotion of new projects. The Company aims at contributing to the management of its subsidiaries. The company also invests funds in bonds, shares, securities, and all other investment instruments in addition to providing loans and guarantees to its investee companies.

As regards to its investee companies, the Company's objectives are as follows:

- Identify the suitable capital structure to help them realize their objectives
- Improve the operational efficiency by developing and adopting specific standards
- Develop a comprehensive action plan to promote the business and diversify revenue streams
- Continuously enhance the organizational structure and act upon development of internal systems and manuals, and create a proper and conducive work environment

As on 31 December 2020, the issued and paid-up share capital of the Company was OMR 25,872,000 divided into 258,720,000 Shares of Baizas 100 each.

8.2. Major Shareholders of the Company

Muscat Overseas LLC

Muscat Overseas LLC is a key founder shareholder owning a 16.7% shareholding in the Company. Muscat Overseas Group is one of the leading business conglomerates in Oman with strong experience in promoting new ventures and growing them into sizable scale. Muscat Overseas LLC has been a shareholder of the Company since inception.

Abdul Hafidh Salim Rajab Al Aujaili

Mr. Al Aujaili is the promoter shareholder of well-established institutions in Oman as Bank Dhofar SAOG, Dhofar Power Company SAOC and Oman Aviation Services SAOC. He is the chairman of Bank Dhofar SAOG. He has diversified business interests in automotive, real estate and the media sectors amongst others. He is one of the founder Shareholders of the Company and has a shareholding of 12.2% in the Company.

Al Anwar International Investment LLC

Al Anwar International Investment LLC is a 100% subsidiary of Al Anwar Investments SAOG. Al Anwar International Investment LLC is the investment arm of the Al Anwar Investments SAOG. Al Anwar International Investment LLC has a shareholding of 8.3% in the Company.



Fincorp Investments LLC

Fincorp Investments LLC is part of the Al Yousef Group of Companies and is a diversified investment holding company. Fincorp Investments LLC has a shareholding of 7.4% in the Company.

Civil Services Employees Pension Fund

The Civil Service Employees Pension Fund (CSEPF) was established simultaneously with the introduction of the Law of Pensions and End of Service Benefits for Omani Nationals employed in the Government sector in the beginning of 1986. It undertakes the responsibility for implementation of provisions of the law in addition to managing and investing the pensions and end of service funds. The Fund is an independent government unit which has a juristic personality, and administrative and financial independence. The fund has a shareholding of 6.5% in the Company.

Dhofar Cattlefeed SAOG

Established in 1984, Dhofar Cattlefeed is one of the leading producers of poultry and ruminant feed in the Sultanate with an investment portfolio across multiple industries valued at more than OMR 12 million as at 31 December 2020. Dhofar Cattlefeed has a shareholding of 5.6% in the Company.

Dr. Mohamed Musa Abdulla Al Yousef

Dr. Mohamed Musa Al-Yousef is Chairman of Al Yousef Group and Truckoman Group, and major shareholder of Oman Chromite Company. Dr. Al Yousef has a shareholding of 5.5% in the Company.

Royal Oman Police Retirement Fund LLC

Established in 1980, Royal Oman Police Pension Fund (ROPFF) is an investor in a wide range of asset classes including banking, insurance, real estate, and private equity. The fund has a shareholding of 5.1% in the Company.

8.3. Select Financial Data

The table below shows select financial data of the Company for the periods indicated:

Figures in RO millions	For the year ended 31 December				
	2016 (Parent)	2017 (Parent)	2018 (Parent)	2019 (Parent)	2020 (Group)
Total income/ (loss)	18.3	6.9	(31.7)	(9.9)	1.3
Operating income/ (loss)	16.7	5.4	(33.0)	(11.2)	(0.7)
Comprehensive income/ (loss)	10.1	1.1	(39.1)	(19.3)	38.7

Source: Company's audited financial statements



8.4. Investment Strategy

- The Company is an investment company whose primary objective is to make viable projects of specific sectors deemed sustainable and approved by its Board while maximising returns of its shareholders.
- The Company will continue to deploy a majority of its investment portfolio to long term strategic investments including subsidiaries and associates.
- The Company intends to invest in new businesses and existing Companies across different industries in line with the vision of the Company through equity stake in such companies. The aim is to achieve long term returns with applicable regulatory requirements, corporate governance standards and within acceptable risk parameters.
- The Company also intends to invest in greenfield projects, thereby taking the risks during the setup/ construction phase of the projects and then exit the project, fully or partially, at a premium when the project is commissioned and stabilised, by selling its stake in such projects
- Further, the Company aims to invest excess liquidity, which is not currently required for its regular business operations, in suitable investments to achieve stable returns and capital preservation.
- The overall investment strategy would enable the Company to achieve its long term objectives.



8.5. Investment Portfolio

The Company holds investments in subsidiary and associate companies, the details of which are set out below:

DIDIC Investment Portfolio (OMR millions)	Shareholding as on 31 December 2020	Market value as on 31 December 2020	Carrying value as on 31 December 2020
Subsidiaries			
Dhofar Investment & Real Estate Services Co. LLC	99.90%	7.81	7.81
Garden Hotel LLC	99.90%	0.57	0.57
Dhofar International Energy Services Co. LLC	99.00%	2.56	2.56
Total		10.94	10.94
Associates			
Bank Dhofar	24.38%	70.87	131.75
Dhofar Insurance	36.59%	6.00	9.34
Dhofar Insurance Bonds		2.75	2.78
Financial Services	46.15%	1.65	1.46
OIFC	45.00%	8.10	10.77
Salalah Medical supplies Mfg. Co.	25.00%	1.05	1.05
Omani Vegetable Oil Derivatives Co.	30.77%	2.39	2.39
Total		92.81	159.54
Investment in equities			
Quoted securities		21.39	21.39
Unquoted securities		4.25	4.25
Total		25.64	25.64
Fixed income investments			
Term deposits		10.68	10.68
Loan to subsidiary		4.95	4.95
Total		15.63	15.63
Total investment book		145.02	211.75

Source: Company's audited financial statements



8.6. Leadership and Staff

The Company has a management team with extensive experience and knowledge of Oman and their areas of expertise. The members of the management team of the Company have work experience averaging 25 years in their respective field of work. The details of the management team are set out in of Chapter 13 of this Prospectus.

8.7. Corporate Governance Strategy

The Board of Directors are committed to applying the highest level of corporate governance standards and confirm the commitment and responsibility to manage the Company and provide the transparency for the Company in accordance with the requirements of the Code. The Board has constituted the following Board committees: (a) Audit Committee, (b) Executive, Nomination and Remuneration Committee. All the Committees have well-defined terms of reference.



CHAPTER 9: HISTORICAL FINANCIAL STATEMENTS

Summary historical financial statements for the year ended December 31, 2016 to December 31, 2020 are provided below. A summary of the unaudited results for the three months ended 31 March 2021 is also provided. The financial statements for the years ended December 31, 2016 to December 31, 2019 are shown for representation purposes and are not comparable to the 2020 financial statements as with effect from 1 January 2016, the Company, had changed its status to that of an “investment entity” after meeting all the conditions of an investment entity as defined in IFRS 10 (Consolidated financial statements). Entities that meet the definition of an investment entity within the IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidating them. Subsequently in a meeting held on 7th January 2020, the Board of Directors of the Company concluded that the Company no longer meets all the qualifying criteria of an investment entity under IFRS 10 and hence ceased to be an investment entity. Consequently, the Company reverted to the preparation of parent and group financial statements from 2020. Detailed financial statements including Company's group financial statements are available on the MSX website (www.msx.om).



**Statement of Income for the year ended
31 Dec.**

	2016	2017	2018	2019
	RO	RO	RO	RO
Income				
Dividend income	9,809,483	10,000,596	10,066,867	8,523,528
Realised profit/(loss) on sale of financial assets at fair value through profit or loss – net	(70,208)	963	172,015	-
Unrealised (loss)/profit on financial assets at fair value through profit or loss - net	6,325,623	(3,753,413)	(42,786,456)	(19,541,486)
Interest income	549,351	461,658	686,306	963,067
Success fees – projects	1,545,177	15,396		
Other income	<u>127,521</u>	<u>137,305</u>	<u>138,380</u>	<u>138,630</u>
Total income	<u>18,286,947</u>	<u>6,862,505</u>	<u>(31,722,888)</u>	<u>(9,916,261)</u>
Expenses				
Administrative and general expenses	(1,500,484)	(1,376,046)	(1,196,540)	(1,174,438)
Depreciation	<u>(77,211)</u>	<u>(76,587)</u>	<u>(80,041)</u>	<u>(85,797)</u>
Total expenses	<u>(1,577,695)</u>	<u>(1,452,633)</u>	<u>(1,276,581)</u>	<u>(1,260,235)</u>
Operating profit/ (loss)	16,709,252	5,409,872	(32,999,469)	(11,176,496)
Finance income	612,730	257,576		
Finance costs	(3,884,113)	(4,569,434)	(6,107,076)	(7,990,934)
Deemed disposal of subsidiaries	<u>(2,983,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the year before tax	10,454,363	1,098,014	(39,106,545)	(19,167,430)
Income tax	<u>(348,937)</u>	<u>(46,961)</u>	<u>(31,107)</u>	<u>(129,765)</u>
Profit and total comprehensive income for the year	<u>10,105,426</u>	<u>1,051,053</u>	<u>(39,137,652)</u>	<u>(19,297,195)</u>
Basic and diluted earnings per share	0.041	0.004	(0.159)	(0.075)



Financial Positions as on 31 Dec.	2016	2017	2018	2019
	RO	RO	RO	RO
ASSETS				
Cash and bank balances	9,577,743	6,646,129	266,764	790,129
Receivables and prepayments	125,440	365,746	189,075	833,598
Investment in equities at fair value through profit or loss	35,253,556	33,057,429	26,492,430	26,139,957
Investment in subsidiaries	10,709,674	11,464,606	9,189,035	12,565,949
Investment in associates	162,385,921	172,098,037	136,155,001	113,439,074
Investment in term deposits			5,000,000	8,930,000
Loan to subsidiary				4,950,000
Investment in subordinated debt at fair value through profit or loss	9,000,000	5,107,955		
Investment property	247,212	247,212	247,212	247,212
Property and equipment	897,595	827,153	800,017	718,071
Total assets	228,197,141	229,814,267	178,339,534	168,613,990
LIABILITIES AND EQUITY				
LIABILITIES				
Other liabilities	940,322	708,416	684,595	283,453
Income tax payable	530,285	234,729	173,910	-
Loans and borrowings	108,545,063	113,334,598	104,778,157	90,167,231
Subordinated bonds - net	-	-	-	24,757,629
Total liabilities	110,015,670	114,277,743	105,636,662	115,208,313
EQUITY				
Share capital	24,640,000	24,640,000	24,640,000	25,872,000
Legal reserve	8,213,333	8,213,333	8,213,333	8,213,333
General reserve	7,070,404	7,070,404	7,070,404	7,070,404
Retained earnings	78,257,734	75,612,787	32,779,135	12,249,940
Total equity	118,181,471	115,536,524	72,702,872	53,405,677
Total equity and liabilities	228,197,141	229,814,267	178,339,534	168,613,990
Net assets per share	0.480	0.469	0.295	0.206



Statement of cash flow for the year ended

31 December

	2016	2017	2018	2019
	RO	RO	RO	RO
Operating activities				
Receipt of dividends, rent income and income on financial assets	9,928,309	10,673,376	10,203,085	8,660,283
Payments to creditors and employees	(1,479,888)	(1,054,172)	(1,444,024)	(1,213,528)
(Increase)/decrease in operating assets	1,528,214	(3,418)		
Decrease in operating liabilities	(3,076)	(684,235)		
Purchase of equities	(1,115,140)	(1,080,734)	(960)	-
Proceeds from sale of equities	16,051,084	149,408	3,635,139	-
Proceeds from capital buy-back			625,000	
Proceeds from investment under liquidation				150,000
Interest received			606,819	897,631
Income tax paid	(122,138)	(342,517)	(91,926)	(303,675)
Net cash generated from operating activities	<u>24,787,365</u>	<u>7,657,708</u>	<u>13,533,133</u>	<u>8,190,711</u>
Investing activities				
Success fees – projects	1,545,177	15,396		
Purchase of property and equipment	(104,803)	(6,145)	(52,905)	(3,851)
Proceeds from sale of rights			1,652,331	
Advance paid for purchase of equipment	(2,650)	-		
Purchase of shares in associate	(14,107,958)	(11,200,000)	(3,634,390)	
Investment in subsidiary	(990,000)	-		
Proceeds from sale of property and equipment	3,710	-	80	
Maturity of investment in subordinated debt			5,000,000	
Term deposit placement				(10,930,000)
Term deposit redeemed				7,000,000
Interest paid	(3,351,900)	(4,331,956)	(5,884,228)	(8,072,741)
Interest received	739,940	169,848	-	-
Net cash used in investing activities	<u>(16,268,484)</u>	<u>(15,352,857)</u>	<u>(2,919,112)</u>	<u>(12,006,592)</u>



Financing activities

Long term loans repaid	(20,480,000)	(23,666,667)	(17,541,666)	(56,200,667)
Long term loans received	-	21,000,000	6,000,000	118,000,000
Paid to subsidiaries and associates	(2,804,785)	(330,000)	259,055	(5,512,755)
Proceeds from issuance of subordinated bonds	-	-	-	25,018,396
Deferred finance cost paid	-	-	-	(1,918,470)
Bond issuance costs paid	-	-	-	(260,768)
Maturity of investment in subordinated debt at fair value through profit and loss / fixed deposit	15,400,000	4,000,000	-	-
Placement in term deposits	-	(5,000,000)	-	-
Movement in short term loans – net	17,000,000	6,995,000	1,500,000	(70,495,000)
Movement in bank overdrafts – net	(4,381,371)	461,202	1,485,225	(4,291,490)
Dividend paid	(3,696,000)	(3,696,000)	(3,696,000)	-
Net cash (used in)/generated from financing activities	1,037,844	(236,465)	(11,993,386)	4,339,246
Net change in cash and cash equivalents	9,556,725	(7,931,614)	(1,379,365)	523,365
Cash and cash equivalents at the beginning of the year	21,018	9,577,743	1,646,129	266,764
Cash and cash equivalents at the end of the year	9,577,743	1,646,129	266,764	790,129



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group 2020 RO	Parent Company 2020 RO
INCOME		
Dividend income	1,784,950	1,360,941
Net revenue of a subsidiary	262,637	-
Realised gain on sale of financial assets at fair value through profit or loss	9,991	-
Unrealised loss on financial assets at fair value through profit or loss	(1,782,264)	(496,029)
Interest income	847,825	986,733
Other income	162,132	146,364
Total income	1,285,271	1,998,009
EXPENSES		
Administrative and general expenses	(1,763,516)	(1,289,971)
Depreciation	(190,330)	(84,979)
Total expenses	(1,953,846)	(1,374,950)
Operating (loss)/profit	(668,575)	623,059
Finance costs	(9,749,094)	(9,060,048)
Amortization of deferred finance cost	(332,481)	(332,481)
Share of loss from subsidiaries	-	(1,980,680)
Deemed acquisition gain of subsidiaries	772,128	772,128
Share of profit from associates	10,019,014	10,019,014
Deemed acquisition gain of associates	43,361,639	43,361,639
Profit for the year before tax	43,402,631	43,402,631
Income tax	-	-
Profit for the year	43,402,631	43,402,631
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified to profit or loss		
Changes in fair value of financial assets through other comprehensive income	(417,538)	-
Share of other comprehensive loss of subsidiaries	-	(417,538)
Share of other comprehensive loss of associates	(4,313,258)	(4,313,258)
Other comprehensive loss for the year	(4,730,796)	(4,730,796)
Total comprehensive profit for the year	38,671,835	38,671,835
Basic and diluted earnings per share	0.168	0.168



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Group	Parent
	2020	2020
	RO	RO
ASSETS		
Cash and bank balances	1,324,353	866,292
Receivables and prepayments	769,907	1,662,881
Inventories	21,118	-
Financial assets at fair value through profit or loss		
-Investment in equities	37,925,000	25,643,928
-Investment in term deposits	10,680,000	10,680,000
Financial assets at fair value through other comprehensive income	10,199,779	-
Investment in subsidiaries	-	10,939,859
Investment in associates	159,544,758	159,544,758
Loan to subsidiary	-	4,950,000
Investment property	247,212	247,212
Property and equipment	5,466,047	639,940
Total assets	<u>226,178,174</u>	<u>215,174,870</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	25,872,000	25,872,000
Legal reserve	8,624,000	8,624,000
General reserve	7,070,404	7,070,404
Investment revaluation reserve	(4,730,796)	(4,730,796)
Retained earnings	55,241,904	55,241,904
Total equity due to shareholders of the Parent Company	<u>92,077,512</u>	<u>92,077,512</u>
LIABILITIES		
Other liabilities	7,988,938	7,840,017
Income tax payable	9,383	-
Loans and borrowings	101,307,460	90,462,460
Subordinated bonds	24,794,881	24,794,881
	<u>134,100,662</u>	<u>123,097,358</u>
Total equity and liabilities	<u>226,178,174</u>	<u>215,174,870</u>
Net assets per share	0.356	0.356



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group	Parent Company
	2020	2020
Cash flows from operating activities		
Receipt of dividends, rent and other income	5,315,255	4,422,055
Payments to creditors and employees	(1,814,924)	(1,224,901)
Proceeds from investment under liquidation	-	-
Proceeds from sale of investments	48,915	-
Transaction cost paid	-	-
Interest received	718,355	717,726
Income tax paid	-	-
Net cash from operating activities	4,267,601	3,914,880
Cash flows from investing activities		
Advance for purchase of property and equipment	(14,482)	(14,482)
Purchase of property and equipment	(6,400)	(6,400)
Payment for long term investments	(45,000)	-
Interest paid	(2,265,988)	(1,538,603)
Term deposits placement	(2,480,000)	(2,480,000)
Term deposits - redeemed	730,000	730,000
Net cash used in investing activities	(4,081,870)	(3,309,485)
Cash flows from financing activities		
Long term loans repaid	-	-
Long term loans received	45,000	-
Deferred finance cost paid	-	-
Proceeds from issuance of subordinated bonds	-	-
Subordinated bonds issuance expenses paid	-	-
Paid to and on behalf of subsidiaries	(9,232)	(529,232)
Paid to related parties	(14,397)	-
Movement in short term loans	-	-
Movement in bank overdrafts	-	-
Net cash from/(used) in financing activities	21,371	(529,232)
Net changes in cash and cash equivalents during the year	207,102	76,163
Cash and cash equivalents at the beginning of the year	1,117,251	790,129
Cash and cash equivalents at the end of the year	1,324,353	866,292



Summary of unaudited results for the 3 months ended 31 March 2021

Details	RO mn
Total income	2.39
Operating income	2.10
Profit	2.61
Total Comprehensive income	1.44
Total Assets (as of 31 March 2021)	219.05
Net Worth (as of 31 March 2021)	93.52

Source: MSX



CHAPTER 10: SHARE PRICE MOVEMENT & DIVIDEND POLICY

10.1. The following table presents the movement in the share price of the Company for the period January 2017 to March 2021 as per MSX data.

Share Price (RO)	Opening	High	Low	Closing
2017				
Q1	0.360	0.360	0.314	0.314
Q2	0.314	0.314	0.294	0.304
Q3	0.310	0.324	0.310	0.324
Q4	0.324	0.324	0.318	0.318
2018				
Q1	0.318	0.318	0.306	0.306
Q2	0.306	0.306	0.306	0.306
Q3	0.306	0.306	0.280	0.280
Q4	0.280	0.280	0.252	0.280
2019				
Q1	0.280	0.314	0.280	0.314
Q2	0.299	0.299	0.296	0.296
Q3	0.296	0.296	0.296	0.296
Q4	0.296	0.296	0.296	0.296
2020				
Q1	0.267	0.296	0.267	0.296
Q2	0.296	0.296	0.296	0.296
Q3	0.296	0.296	0.270	0.270
Q4	0.263	0.288	0.263	0.288
2021				
Q1	0.288	0.288	0.226	0.267



10.2. Dividends

- 10.2.1. The Company endeavours to distribute a portion of its earnings in an optimal manner, which results in the payment of dividends and the retention of earnings for reinvestment with the objective of the wealth of shareholders.
- 10.2.2. Any decision to pay dividends by the Company to Shareholders and the amount of such dividends will be at the discretion of and upon the recommendation of the Board of Directors, subject to the Articles, applicable Laws, and covenants of the loan agreements entered or proposed to be entered by the Company and shall be approved by the Shareholders. This would apply to both, interim and final dividends and including any stock dividend (i.e. bonus shares).
- 10.2.3. The key aspects of the Company's dividend policy (subject to articles 130 and 131 of the CCL) are summarized as follows:
- a) Dividends can be paid only from the free reserves of the Company
 - b) Dividends shall be paid out of the net profits of the Company for any financial year, subject to the Company not having any carry forward losses at the end of such financial year and also subject to the free reserves of the Company not reducing to negative after payment of such dividend.
 - c) The Company shall endeavour to follow a stable dividend policy.
- 10.2.4. The amount of dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including but not limited to the Company's business prospects, Company's financial performance, availability of cash, lenders' covenants, the Company's expansion plans and working capital requirements.

The dividend details of the Company over the past four years are given in the table below:

Dividend paid in the year	Cash Dividend (Bz)	Stock Dividend as % of paid-up capital
2017	15	-
2018	15	-
2019	-	5%
2020	-	-

(Source: MSX)



CHAPTER 11: RELATED PARTY TRANSACTIONS

The Company conducts certain business with parties over which some Directors may have significant influence or with shareholders who own 10% or more of the Company's shares. In the ordinary course of business, such related parties supply services and financing to the Company and vice versa. The aggregate amounts of transactions with related parties are as follows:

	2019	2020
	RO	RO
Dividends received from subsidiaries and associates	8,087,012	3,772,049
Loans to subsidiaries	5,527,020	6,358,279
Deferred finance cost due to related party (Bank Dhofar)	1,419,771	-----
Interest income from subsidiaries, associates, and Bank Muscat	763,249	821,945
Interest expense to associate (Bank Dhofar) and Bank Muscat	3,782,426	3,414,361
Rental income from associate (Bank Dhofar)	102,240	102,240
Insurance expense paid to associate (Dhofar Insurance)	49,697	54,196
Purchase of equipment (Muscat electronics) – director	1,065	-----
BoD sitting fees and remuneration	64,100	126,100
Senior management compensation	327,797	429,250
Transactions with subsidiary companies	5,577,020	520,000
Balances due to associate bank (Bank Dhofar) and Bank Muscat	57,491,787	60,856,502



CHAPTER 12: RISK FACTORS AND MITIGANTS

An investment in the Offer Shares may be subject to a number of risks. Before deciding whether to invest in the Offer Shares, Applicants should carefully consider and evaluate the risks inherent in the Company's business, including the risks described below, together with the information contained in this Prospectus. Such risks could have an impact on the Company's business and anticipated financial conditions or results. In such case, Applicants could lose all or part of their investment. Additional risks and uncertainties may also have an adverse effect on the Company's business.

The following risk factors are not comprehensive or exhaustive, as additional risks and uncertainties not presently known or that the Company currently believes to be of minimal significance may also have an impact on the Company and its operations. If any of these uncertainties develop into an actual event, the Company's operations and actual results could differ materially from the current expectations. It should also be noted that the Company intends to undertake steps and/or measures necessary in order to mitigate the risks referred to below apart from those that may be caused by factors that are beyond the Company's control, including factors of a political and economic nature.

Applicants should consider carefully whether an investment in the Offer Shares is suitable for them in light of the information in this Prospectus and their individual circumstances.

12.1. Significant Leverage

The Company is financed through senior facilities which have pledged almost entirety of the Company's assets. A significant portion of the Company's operating cashflows is expected to meet the financial servicing requirements of the Company's senior facilities leaving limited amount available for dividend distributions. These senior facilities have been availed at floating interest rates and therefore any changes in the interest rates could have a material adverse impact on the Company's operations, financial condition, and results of operations.

The combination of the inherent investment risk of the Company with its higher leverage could result in the Company being unable to meet its financial obligations and may have adverse effects on the Company's operations, financial condition, and results of operations.

As a part of the availing these senior facilities, the Company is subject to certain financial covenants, the breach of which prevents the Company's ability to make certain payments including dividend distributions.

The senior facilities of the Company have been availed with a repayment schedule that can be met by the Company's operating cashflows based on historical performance.

12.2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its commitments or other financial obligations as and when they fall due. A significant portion of the Company's assets is invested in long-term strategic investments which may not be liquidated at a short notice in case of any immediate financial commitment or obligation.



The Company's liquidity requirements are monitored regularly and the management also undertakes measures to maintain availability of sufficient funds, including unutilised credit facilities with banks, to meet any commitments as they arise.

12.3. Interest Payment Risk

Prospective investors should note that distributions to the Shareholders of the Company are subordinated to senior borrowings. Accordingly, the shareholders of the Company rank junior to claims by lending banks and general creditors. Therefore, if the Company were to be wound up, liquidated, or dissolved, the Company's liquidator would apply the assets of the Company to satisfy all claims of creditors in respect of any senior obligations in priority to the claims of Shareholders. In such case, there may not be sufficient assets to satisfy the claims of the Shareholders in full.

The Company believes that based on its historical performance it would generate sufficient operating cashflows to meet its financial commitments.

12.4. Challenging Macro-Economic Environment

The Company's business is focussed on Oman and its results of operations are affected by economic conditions in Oman which, in turn, may be affected by regional and global economic conditions.

If the crude oil prices decline and the adverse impact of COVID – 19 is sustained for a longer period, this will likely have a significant adverse impact on Oman's economy and its revenues and financial condition. These effects would be likely to have material adverse effects on the Company by dampening the economic activity in Oman and thereby affecting the financial performance of the investments of the Company.

Mirroring the macro-economic challenges, the MSX 30 Index has not performed well recently as the MSX 30 Index has fallen from 7,008 points on June 30, 2014 to 3,761 points on 30 April 2021 i.e. the index has fallen 46% during this period.

The Company is making long-term strategic investments which it believes will deliver superior risk adjusted returns over various economic cycles.

12.5. Investment Risk

The operations and profitability of the Company will depend on the performance of its invested assets. The Company's investments are focussed on the equity shares of various companies. Investment in equity shares entails a high degree of risk and volatility. The market value of the investments may not accurately reflect the intrinsic value of its investment.

The primary investments of the Company are in market leading companies in Oman with a long operating history of profitability.



12.6. Risks related to investment in emerging markets like Oman

Emerging markets (such as Oman) are subject to greater risks than more developed markets. These risks include, but are not limited to, higher volatility, limited liquidity and changes in the legal, economic and geopolitical environment. Investments in emerging markets may be subject to less publicly available information, more volatile markets, and less developed securities market regulation.

The primary investments of the Company are in well-regulated sectors with stringent controls like banking, insurance and other financial services and these investments have a long operating history and performance.

12.7. Concentration Risk

As detailed in Chapter 8 of this Prospectus, 71% of the Company's investment portfolio is invested in long term strategic investments (subsidiaries and associates) as on December 31, 2020. Further, almost 60% of the Company's investment portfolio is invested in the financial services and related sectors as on December 31, 2020. Investment in the equity shares of Bank Dhofar SAOG constitute 48% of the Company's investment portfolio as on December 31, 2020. As a result, the concentration in a single sector or a stock would expose the Company to the risks associated with financial services sector in general and Bank Dhofar SAOG in particular. Any adverse performance of the financial services sector in general and Bank Dhofar SAOG in particular may impact the Company. The concentration risk may have material adverse effect on the Company's operations, financial condition and results of operations.

The primary investments of the Company are concentrated in financial services sector, but this sector is well regulated with stringent controls. The majority of the underlying investee companies have market leading franchisees and a long operating history of consistent performance and profitability.

12.8. Dependence on Dividends from Key Investments

A significant portion of the Company's operating cashflows are derived from the dividends received from the Company's strategic investments. Any significant reduction in the dividend amount announced by these investee companies could have a material impact on the Company's operating cashflows. In such a condition, the Company may need to sell a portion of its investments to meet its financial obligation or if it is unable to conduct such a sale, it would be unable to meet its financial obligations.

The primary investments of the Company are in underlying investee companies which have a long operating history of profitability and distributing dividends.

12.9. Risks Related to Unlisted Investments

The Company holds some investments in unlisted securities. The fair market valuation of these investments may be affected by the different internal and external valuation models applied to such investments and the sensitivity of key inputs utilised in such models, which may result in positive or negative impacts on the Company's balance sheet and ultimately its profitability in a certain financial year. Additionally, such investments may not be liquid and the ability of the Company to liquidate or exit such investments will be affected by market conditions and investment specific conditions, among other things. The untimely exit from investments, due to market conditions or the Company's liquidity



requirements, may affect the Company's ability to achieve the profitability or return it anticipated at the time of entering into the said investments. If the Company is unable to sell or exit from an investment in a timely manner or in accordance with its exit strategy, this may have a material adverse effect on the business, financial position, and operations of the Company.

The unlisted investments of the Company are in leading companies in Oman with a long operating history and performance.

12.10. Risks Related to Financial Reports through Changes in, Application of, and Interpretation of Accounting Standards

Accounting standards and methods are fundamental to how the Company records and reports its financial statements and results of operations. Also, management must exercise judgment in selecting and applying many of these accounting policies and methods so that they comply with International Financial Reporting Standards (IFRS). A variety of factors could affect the ultimate value that is obtained either when earning income, recognising expenses, recovering an asset, or reducing a liability. The Company has established policies and control procedures that are intended to ensure that these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Changes to accounting standards and the exercise of judgments and estimates to these matters may affect financial reports or restatement of prior period financial statements in the future. The Company's accounting policies and internal controls are critical to the accurate reporting of the financial position and results of operations. These policies and internal controls also cover instances where management is required to make estimates about matters that are uncertain. These are approved at Board level and reviewed annually by both the internal and external auditors.

12.11. Risks Related to Loss of Personnel

The Company's success is dependent on its experienced Board, executive management team and personnel. There can be no guarantee that the Company will be able to retain the services of its employees or to enhance its manpower as and when needed.

The Company places high importance on developing effective human resource policies aimed at achieving employee satisfaction and motivation. The Company continuously strives to build a strong human resources infrastructure so that it can attract suitable candidates to meet both replacement and growth needs of the Company. The Company has suitable policies and infrastructure that support continuous recruitment of Omani nationals and their professional development.

12.12. Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud, failure to adequately monitor and control intermediaries, failure to implement sufficient security controls, an interruption in services by service providers, damage to physical assets.

Operational losses have adverse legal or regulatory implications and can lead to financial and reputational loss.



The Company has well developed internal control mechanisms and policies to minimize the adverse impact of such risks.

12.13. Refinancing Risk

The Company's ability to finance its operations or refinance its existing indebtedness depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and/or equity financing, and there can be no assurance that such funds will be available at a commercially reasonable cost, or at all. There can be no assurance that the Company will be able to incur additional debt and/or refinance its existing debt when it matures. The failure to obtain sufficient funding for operations or meeting its financial obligations or unfavourable terms of financing or refinancing could have a material adverse effect on the Company's business, financial condition, and results of operations.

12.14. Risk Factors Related to the Offer Shares Following the Listing

Share price fluctuation: After the listing of the Offer Shares on the MSX, the price of the Shares may fluctuate for various reasons and may go below the Issue Price.

Liquidity: There are no guarantees that an active market will exist in the shares on the MSX. To that extent, the Shareholders face the risk of holding shares that may not be actively traded.

Future increase of equity capital or capital securities: The Company, may, in the future, increase its equity capital through further issues of shares and/or may issue other capital securities. Such capital increase may be required to sustain the Company's business growth. Such capital increases could impact the price of the Shares on the MSX and/or potential dividends.

Market fluctuations: Market fluctuations and other factors may adversely affect the trading price of the shares regardless of the actual operating performance of the Company. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on market conditions.



CHAPTER 13: THE COMPANY'S ORGANIZATION & MANAGEMENT

13.1. Corporate Governance

- 13.1.1. Corporate governance establishes the relationship and responsibilities between Shareholders, the Board of Directors and senior management of the Company through the structure of setting objectives, formulating strategies, controlling and monitoring performance whilst ensuring compliance with regulations and promoting a culture of transparency through disclosures and commitment to the highest ethical standards.
- 13.1.2. The respective roles and responsibilities of the Board and executive management team of the Company are governed by provisions of the CCL, the Articles of Association, the Code and relevant circulars issued by the CMA.
- 13.1.3. The Board bears the principal responsibility of designing the Company's corporate governance policy as appropriate to the Company, within the broad framework prepared by the CMA. The Board may perform all acts necessary or useful for achieving the Company's corporate objectives with the exception of those acts that are prohibited by law or the Articles of Association or are explicitly reserved for the Shareholders to be decided at a General Meeting. The day-to-day management of the Company is performed by its executive management team.

13.2. The Board

13.2.1. The Board of Directors

The Board has the full authority to perform all acts required for managing the Company as well as protecting and developing the Shareholders' interests pursuant to the Company's objectives in addition to securing the interests of other stakeholders. Such authority is not limited or restricted except as described in paragraph 13.1.3 above. However, such authority is not extended to the operational matters and day-to-day affairs of the Company, which remain the responsibility of the executive management.

The responsibilities and functions of the Board include the following:

- Approving the business and financial policies of the Company and its estimated budget in order to achieve its objects as well as maintaining and enhancing the rights of its Shareholders;
- Preparing, reviewing and updating from time to time the plans necessary for the accomplishment of the Company's goals and the performance of its activities in light of the objects for which it was incorporated;
- Carrying out disclosure procedures of the Company and monitoring their application in accordance with regulations issued by the CMA;



- Providing information to Shareholders in an accurate and timely manner in accordance with CMA disclosure regulations;
- Appointment of the CEO or the general manager as well as the appointment of key employees in the Company and specifying their competences and entitlements;
- Appraisal of the performance of the officers mentioned in the preceding paragraph and appraisal of the work carried out by the committees formed by the Board and constituted according to Article 122 of the executive regulations for public joint stock companies;
- Approval of the financial statements pertaining to the Company's business and the results of its activities which are submitted to it by the executive management every three months, so as to disclose its true financial position to the market;
- Inclusion, in the annual report submitted to the General Meeting, of a reasoned affirmation of the Company's ability to continue to carry on the activities prescribed for it and to achieve its aims;
- Appointment of the Board Secretary; and
- Inclusion, in the financial statements, a statement of all amounts which each director has received from the Company during the year, including such amounts as are paid to the Board of Directors in that capacity.

Article 185 of the CCL stipulates that the Board shall be prohibited from performing the following acts unless it is expressly authorized to do so by the Articles of Association of the Company or by a resolution of the ordinary General Meeting:

- a) Make donations, other than customary donations of small value, which the interest of the business requires.
- b) Create mortgages or a pledge on the assets of the Company, except for securing its debts incurred in the ordinary course of business.
- c) Guarantee the debts of third parties, with the exception of the guarantees that are entered into in the ordinary course of business with the objects of achieving the Company's objectives.

The Company shall be bound by all acts performed by its Board of Directors, its Chairman, Its CEO and all other executives (if any) as long as they act in the name of the Company and within the scope of their powers.

The Company's current Board of Directors is composed of 7 Directors elected in the Company annual general meeting of shareholders held on 31 March 2021.



No.	Name	Representing	Role	Non-Executive	Independent/ Non-Independent
1.	Sheikh Khalid Mustahil Ahmed Al Mashani	In personal capacity	Chairman of the board	Yes	Independent
2.	Tariq Abdulhafidh Salim Al Aujaili	In personal capacity	Deputy Chairman of the board	Yes	Non-Independent
3.	Rashad Khamees Hamed Al Battashi	In personal capacity	Member of the board	Yes	Independent
4.	Omar Ahmed Abdullah Al Shaikh	In personal capacity	Member of the board	Yes	Non-Independent
5.	Salim Abdullah Faraj Al Awadi	In personal capacity	Member of the board	Yes	Independent
6.	Faisal Mohamed Moosa Al Yousef	In personal capacity	Member of the board	Yes	Non-Independent
7.	Sheikh Saud Mustahil Ahmed Al Mashani	In personal capacity	Member of the board	Yes	Independent

13.2.2. Overview of Current Board of Directors

Sheikh Khalid Mustahil Ahmed Al Mashani

Sheikh Khalid Al Mashani is the Board Chairman and Chairman of the Executive, Nomination and Remuneration Committee of the Company. Sheikh Khalid is also the Chairman of the Board of Directors of Bank Muscat SAOG; Vice Chairman of the Board of Directors of Al Omaniya Financial Services Company SAOG and Member of the Board of Directors of Dhofar Cattle Feed Company SAOG. He earned a B.Sc. in Economics from the UK, holds a master's degree in International Boundary Studies from the School of Oriental and African Studies from the University of London, UK and possesses vast experience in managing Omani public joint stock companies.

Tariq Abdulhafidh Salim Al Aujaili

Mr Al Aujali is the Board Deputy Chairman. He holds a Bachelor of Science degree in accounting and finance from the London School of Economics and Political Science. He has extensive experience of directorships in public companies such as Dhofar Insurance Company SOAG and Omani Investment and Finance Co. SAOG where he is Vice-Chairman and Bank Dhofar SAOG where he is on the Board of Directors.

Directorships in subsidiary companies - Garden Hotel LLC and Dhofar International Energy Services Co LLC.



Rashad Khamees Hamed Al Battashi

Mr Al Battashi is the Chairman of the Audit Committee. He holds a Post Graduate diploma in advanced accounting from the Hashemite Kingdom of Jordan, as well as a bachelor's degree in accounting from the Jordan as well. He has experience in several departments in the Civil Service Employees' Pension Fund since 2003, such as investments in financial markets, stocks and alternative investments, fixed-income investment funds, and real estate in addition to carrying out investment analysis and performance monitoring of investments and portfolio managers across multiple sectors.

Omar Ahmed Abdullah Al Shaikh

Mr Al Shaikh is the Chairman of the Board of Directors of Financial Services Co SAOG and he serves as the Deputy Chief Executive Officer of Dhofar Insurance Company SAOG. He holds an MBA Degree from University of Southern Colorado USA and a Bachelor of Science in Business Administration with a major in Management also from University of Southern Colorado USA.

Directorships in subsidiary companies - Garden Hotel LLC

Salim Abdullah Faraj Al Awadi

Mr Al Awadi is the Chairman of the Board of Directors of Dhofar Poultry Co. SAOG and a member of the Board of Directors of Dhofar Cattle Feed Co SAOG. He is currently the Vice-Chief Executive Officer of Al Omaniya Financial Services Co SAOG. He holds a Diploma of higher studies (Accounting) and an MBA from London College, UK. He has over 27 years of experience in the fields of finance and oil & gas sectors.

Directorships in subsidiary companies - Dhofar International Energy Services Co LLC.

Faisal Mohamed Moosa Al Yousef

Mr Al Yousef is the Chairman of Muscat Finance Co SAOG and a member of the Board of Directors of Bank Dhofar. He holds a Bachelor of Science degree in Economics from the University of London, UK. He is a Fellow Chartered Certified Accountant (FCCA, UK). He also has experience working with Ernst & Young as an audit specialist.

Sheikh Saud Mustahil Ahmed Al Mashani

Sheikh Saud Al Mashani holds a master's degree in international diplomacy from the University of East Anglia (UK) in 2015, and he also holds a degree in business administration from Staffordshire University in 2010 from the United Kingdom as well. He is the Director of Marketing and Business Development at Muscat Overseas Group, working in the financial, real estate, trade, travel, insurance and joint ventures sectors and serves as a member of the Board of Directors of Bank Muscat SAOG.



13.2.3. Rules and Conditions for the Election of Directors

The members of the Board are elected by the Shareholders in the Company's Ordinary General Meeting. Without prejudice to the provisions of the CCL, the following provisions shall be complied with for the election of the Board of Directors:

- All members of the Board must be non-executive.
- One third of the Board of Directors must be independent directors in accordance with the executive regulations for public joint stock companies and Article 114 of the Corporate Governance Code for public listed companies.
- A Director must be a natural person. If the Director is an Independent Director, they must submit a declaration confirming that fact and that they shall cease to be a Director should their independent status change.

As far as the Board is aware, the restrictions stipulated by Article 115 of the executive regulations for public joint stock companies have been observed in relation to the election of the Board. These include the following:

- All the directors of the Board are natural persons.
- All the directors of the Board are of good standing and sound reputation.
- All the directors of the Board are at least 25 years of age.
- All the directors of the Board have shareholder identification numbers registered with the MCDC.
- None of the directors of the Board are unable to settle their indebtedness to the Company.
- None of the directors of the Board have been declared insolvent or bankrupt.
- None of the directors have been held responsible, personally or jointly, as a member of a board of directors, for the bankruptcy of a company.
- None of the directors of the Board have been convicted of a felony or dishonourable crime.
- All independent Directors have submitted declarations confirming the same and that their directorships shall fall should their independent status change.
- None of the directors of the Board are members in more than four public joint stock companies based in the Sultanate, and none are chairman of more than two companies.
- None of the directors of the Board are employees or members of the board of directors of a public or closed joint stock company which is based in the Sultanate and which is carrying out similar objectives to that of the Company.

The members of the board of directors shall be elected by way of a direct secret ballot by an ordinary general meeting. Each shareholder shall have a number of votes equal to the number of shares owned by him/her. He may distribute the votes he / she has among more than one nominee, and a single vote shall not be given to more than one nominee.



The term of office of a member of the board of directors, shall be three (3) years from the date of convening the general meeting in which the election was conducted, to the date of convening the third annual general meeting following such general meeting. If the date of convening such general meeting extends beyond the period of the aforementioned three (3) years, the membership shall be extended by virtue of law, until the date it is convened, provided that such extension shall not extend beyond the expiry of the period specified for convening the annual general meeting.

The membership of any person who is elected in violation of the provisions regulating the membership of the board of directors shall be invalid from the date of his/her election. Such person shall be liable for any damage sustained by the company as a result of such invalid election. The resolutions which the member participated in voting thereon after his/her election in violation of the provisions regulating the election shall be invalid unless such resolutions were passed by a percentage of the votes required for their validity without counting the vote of such member.

If for any reason a seat of a member of the board of directors falls vacant during the period between two ordinary general meetings, the board may:

1. Fill the vacant seat from the list of nominees who have not entered the board according to the last elections conducted before the ordinary general meeting of the company and according to the order of the highest votes obtained by each of them. If two nominees have equal votes, one of them shall be appointed by the board of directors. If no names are available in the list of the nominees, the board may appoint a person to fill the vacant seat until the next ordinary general meeting is convened.
2. If the vacant seats or the number of the members appointed by the board of directors pursuant to the provisions of the preceding paragraph reaches half of the elected members of the board, the board must convene the ordinary general meeting within a period of sixty (60) days of the date of the vacancy of the last seat, for election of new members for filling the vacant seats. In all circumstances, the members who have been elected for filling the vacant seats shall serve for the remaining period applicable to their predecessors.



13.2.4. Remuneration of the Board

The rules and regulations governing the payment of directors' remuneration and sitting fees as mandated by section 2 of chapter 3 of the executive regulations for public joint stock companies promulgated on 25 February 2021 are adhered to.

The directors were paid sitting fees for each of 2019 and 2020 as set out below:

No.	Name	Position	Total Sitting Fees in 2019 (OMR)	Total Sitting Fees in 2020 (OMR)
1.	Sheikh Khalid Mustahil Ahmed Al Mashani	Chairman	10,000	7,600
2.	Tariq Abdulhafidh Salim Al Aujaili	Deputy Chairman	9,800	7,600
3.	Ahmed Mohammed Salim Al Kaf	Director	7,600	8,300
4.	Omar Ahmed Abdullah Al Shaikh	Director	9,200	9,100
5.	Salim Abdullah Faraj Al Awadi	Director	9,800	8,400
6.	Faisal Mohamed Moosa Al Yousef	Director	10,000	8,400
7.	Sheikh Hamood Mustahil Ahmed Al Mashani	Director	7,700	6,700
	Total		64,100	56,100

13.2.5. Board Committees

Audit Committee

Name	Role
Rashad Khamees Hamed Al Battashi	Chairman
Sheikh Saud Mustahil Ahmed Al Mashani	Member
Omar Ahmed Abdullah Al Shaikh	Member

The Audit Committee is entrusted with performing the following main duties:

- to follow-up the activities, and work plan of the external auditor together with assessment of its reports and checking the related fees;
- to supervise the activities of the Internal Audit Department Head and to ensure the efficiency of the internal control systems;
- to supervise the preparation of the financial statements and to discuss the accounting rules and its amendments; and
- to act as a coordinator between the Board of Directors and the external and internal auditors.



Executive, Nomination and Remuneration Committee (ENRC)

Name	Role
Sheikh Khalid Mustahil Ahmed Al Mashani	Chairman
Tariq Abdulhafidh Salim Al Aujaili	Member
Salim Abdullah Faraj Al Awadi	Member
Faisal Mohamed Moosa Al Yousef	Member

The ENRC conducts supervision over investments management, Company's assets of all forms and classification of these assets and investments as per nature and purpose for acquisition. In addition, it performs duties and responsibilities of nominations and remunerations. The committee's responsibilities are as follows:

- Supervision and management of the Company's investments and assets in its all forms together with the classification of the investments and assets according to the nature and the purpose of acquisition. It also performs duties and responsibilities of nominations and remunerations provided for in the new Charter of Corporate Governance.
- Review plan and classification of the Company's investments.
- Defining the upper limits of the Company's portfolio to suit capital adequacy standards.
- Periodic revision of the investments and taking appropriate decision related to it.
- Reviewing of all Executive Management's proposals regarding shareholding, expansion, participation, and re-structuring of projects, locally and abroad.
- Reviewing of all Executive Management's proposals in respect of investments, subscription and proposals of new companies.
- Revising risk management policies in coordination with the Executive Management.
- Assist the AGM to nominate well-qualified members for the board of directors and to elect the best.
- Create regulatory restrictions for annual remunerations for the Board Members and the Executive Management and the allowance earmarked for attending sessions of both Board and Committees.
- Submit to the board an annual plan of action.
- Look for and nominate qualified person to act as members of the Board of Directors in the event of a vacancy.
- Review such policies periodically, taking into account market conditions and the Company's performance.
- Review and recommend to the Board the annual business plan of the Company.

13.2.6.Channels of Communication with Shareholders

The financial statements of the Company are available in digital form at the MSX website, www.msx.om. The quarterly, half yearly and annual results of the Company are published in two national daily newspapers, one in English and one in Arabic.



13.3. Brief Profile of Senior Management

Mr. Ramez El Amoudi - Chief Executive Officer

Mr Ramez is a Chartered Financial Analyst and holds several other professional designations such as CAIA and PRM. A graduate from Canada, he has over 18 years of professional experience in the GCC across a wide range of industries, ranging from consulting and advisory to financial services and real estate, where he occupied a number of positions from Chief Investment Officer and board member to CEO. He joined the Company in February 2020.

Mr. Vishal Makwana - Chief Financial Officer

Mr Makwana is a Chartered Accountant and holds a Master of Commerce. He has over 14 years of experience across diverse facets of corporate finance and general management including raising funds through the Capital Markets (equity and debt), undertaking mergers and acquisitions, project funding, treasury operations, working capital and cash flow management, financial planning and analysis, structuring and financial modelling. He previously served as Deputy CFO, in the renewables subsidiary of one of the largest integrated power companies in India. He has worked on various assignments in his previous role which includes issue of rights shares, raising funds through perpetual bonds and project financing for power projects. He joined the Company in October 2018.

Ahmed bin Bakheet Salim Fadhil – Manager of Administrative Affairs

Mr Fadhil has 30 years' experience in the field of administration, finance, investment, financial portfolios management and he joined the Company in 1987.

Directorships in subsidiary companies - Dhofar Investment and Real Estate Services Co LLC

Jamal Kamel Rasheed – Company Secretary

Mr Rasheed has a master's degree in accounting. He has 37 years' experience in various fields of accounting and use of quantitative methods of financial analysis in Oman, UAE and Iraq. He has previously occupied the position of Head of Internal Audit Department of the Company. He is currently the Company Secretary and has been since June 30, 2016. He is also Secretary of the Audit Committee and Executive, Nomination and Remuneration Committee. He joined the Company in February 2003.

13.4. Employees

The Company's human resources policies are designed to attract, retain and motivate high-calibre, professional, skilled and knowledgeable employees. The Company had 36 employees as on 30 April 2021.

The Company is committed to identifying, attracting and developing Omani nationals in its workforce. The Company's Omanization level as at 30 April 2021 was 83.4 % and it is currently in compliance with all other applicable employment regulations.



CHAPTER 14: PRICE JUSTIFICATION

The Company is a well-established and growing investment holding company in Oman with an established track record of operations and profits. The assets of the Company were at RO 215 million as at December 31, 2020 while the net profit for the year ending 31 December 2020 was RO 43.4 million. The Shares were trading on the MSX at 267 baizas per share as of 27 May 2021. The Company is offering Rights Shares at a price of 190 baizas per share. Taking into account various qualitative and quantitative factors like market standing, market share, quality of the assets, business growth, current performance, profitability, future outlook of the major investments of the Company, the Company believes that the Rights Issue is in the best interest of the Company and the Shareholders.

14.1. Qualitative Factors

- 1) The Company is one of the leading investment holding companies in Oman, with the second largest assets and equity in the investment sector.
- 2) The Company has, over the past two years, recruited a professionally qualified and highly experienced management team.
- 3) The Company's major investments are in leading companies in their segments, such as Bank Dhofar and Dhofar Insurance, that are demonstrating impressive growth and profitability.
- 4) The Company is embarking on a significant transformation plan that is expected to add significant value to shareholders through the diversification of its investment base and income streams.
- 5) The Company has recently agreed new financing terms with its senior lenders that will allow it to better serve its obligations and leave room for dividend distributions to shareholders.

14.2. Quantitative Factors

Analysis as of 27 April 2021	Average Closing Share Price (Baizas)	Discount of Rights Price to Average Closing Price
1-month average closing price	269	29%
3-month average closing price	261	27%
6-month average closing price	263	28%
9-month average closing price	263	28%
12-month average closing price	265	28%

Source: MSX

The Subscription Price of 190 baizas per share is at a discount of 29% to the 1-month average closing price and the share price as on 27 May 2021 (267 baizas per share) and at a discount of 28% to 1-year average closing price of 265 baizas per share. In addition, the book value of the shares of the Company as on 31 December 2020 was 356 baizas per share. The Board of Directors of the Company have therefore agreed to offer the Rights Issue of shares to the shareholders of the Company at an attractive, discounted price of 190 baizas per share.



CHAPTER 15: RIGHTS AND LIABILITIES OF SHAREHOLDERS

This Chapter summarizes the rights and liabilities of Shareholders in an Omani public joint stock company, effective as at the date of this Prospectus. The description provided hereafter is only a summary and neither purports to give a complete overview of the rights and liabilities of Shareholders nor of relevant provisions of Omani law or the CMA circulars. Additionally, this Chapter should not be considered as legal advice regarding these matters. A copy of the Articles of Association is available from the corporate office of the Company.

15.1. Shareholders' Liability

The liability of the Shareholders shall be limited to the payment of the value of the Shares for which he/she subscribes, and he/she shall not be responsible for the debts of the Company except within the limits of the value of the Shares he/she subscribes for.

In case new Shares are issued without stipulating the full payment of the value on Subscription, payment of the remainder of each Share's value shall be effected at the time and in the manner to be determined by the Board of Directors, provided that each Shareholder shall receive at least 14 days' notice specifying the time and place of payment.

15.2. Shareholders' Rights

All the Shares shall enjoy equal and inherent (attached) rights in the ownership thereof which in accordance with the CCL are:

- i. the right to receive dividends declared by the general meeting;
- ii. the preferential right of Subscription for new Shares;
- iii. the right to share in the distribution of the Company's assets upon liquidation;
- iv. the right to transfer Shares in accordance with the applicable law;
- v. the right to inspect the Company's balance sheet, profit and loss statement and register of Shareholders;
- vi. the right to receive notice of and the right to participate and vote in all general meetings in person or by proxy (each Shareholder will have one vote for each ordinary share owned);
- vii. the right to apply for annulment of any resolution made by the general meetings or the Board of Directors, which is contrary to the law or the Articles of Association or other internal regulations of the Company;
- viii. the right to institute actions against the Directors and auditors of the Company on behalf of the shareholders or on behalf of the Company pursuant to Article 208 of the CCL;
- ix. the right to approach the CMA (provided that the move is supported by Shareholders who own at least 5% of the Shares), to exercise its authority to suspend resolutions of the general meeting which are passed in favor of, or against, any category of Shareholders or in the interests of the members of the Board of Directors or others.
- x. the right to take legal proceedings before the competent court in accordance with Article 207 of the CCL



15.3. Ownership & Transfer of Shares

Ownership and transfer of Shares shall be entered in the registers of the MCDC. In case of the death of a Shareholder the person whose name stands next in the register, where the deceased was a joint holder, shall be deemed by the Company to be the representative of the joint owners of the Shares. If the deceased was a sole holder, his/her legal personal representatives shall be the only persons recognized by the Company as having any title to his/her Shares, but nothing contained herein shall release the estate of a deceased joint holder from any liability in respect of any Share which had been held jointly by him with other persons.

15.4. Reports and Statements to be Sent to the Shareholders

Within 60 days from the end of the financial year, the Board of Directors shall prepare a report containing the Company's financial position and the financial position of its subsidiaries as well as any net profits to be distributed to shareholders, any changes to the business of the Company or of its subsidiaries, and anything that may have influenced the Company's position or its ability to continue to practice all of its activities and achieve its objectives, as well as any other data listed in the Executive Regulation. The report shall also address the Company's compliance with governance and sustainability requirements and must be signed by the Chairman or Vice-Chairman of the Board of Directors, a member of the Board of Directors and the CEO.

The Company's auditor shall also prepare a report in accordance with IFRS (International Financial Reporting Standards) that states the true financial position of the Company.

Copies of the above-mentioned reports shall be sent to the CMA before approving the agenda of the Annual General Meeting, if such reports have not been reviewed at the Annual General Meeting, approval of such reports shall be deemed null and void.

A summary of the audited financial statements, the report of the Board of Directors and the report of the auditors shall, likewise, be sent to each Shareholder and any person entitled to attend together with the invitation to attend the meeting of the ordinary Annual General Meeting at least 15 days prior to the meeting. The annual financial statements will also be disclosed through the electronic transmission system hosted on the MSX website. These reports as well as the Annual General Meeting decisions shall be filed with the Commercial Registrar within seven days of the Annual General Meeting date.

In the event that the Board of Directors identifies an error in the financial statements before the Annual General Meeting, it shall correct such error and send a notice to this effect to each Shareholder and any person entitled to attend prior to such meeting. The Board of Directors shall provide the CMA with a copy of the corrected report and file such copy with the Commercial Registrar within seven days of it being sent to the CMA. If the Board of Directors does not correct such error before the Annual General Meeting, consideration of the financial statements in question shall be postponed to another meeting, unless the error is not material. The Board shall also provide relevant authorities with revised copies of the report and file such copy with the Commercial Registrar within seven days of it being sent to the CMA.

The Board of Directors will also prepare unaudited quarterly financial statements for the first, second and third quarter of each Financial Year. These statements will also be disclosed through the electronic transmission system hosted on the MSX website. The Company will also publish the un-audited quarterly financial statements as directed by the CMA.



CHAPTER 16: SUBSCRIPTION CONDITIONS AND PROCEDURES

16.1. Eligibility for Subscription

The Subscription for the Rights Issue is open to the Shareholders appearing on the Company's register with the MCDC as at the Record Date and to those persons who have bought rights through the MSX. Every Shareholder is entitled to subscribe to the Rights Issue provided they own Shares as at the Record Date and/or they have purchased rights through the MSX.

Every Shareholder as on the Record Date is entitled to approximately 58.18 Offer Shares for every 100 shares held as on the Record Date i.e., 1 Offer Share against approximately every 1.72 shares held on Record Date, duly rounded down in the case of fractional entitlements.

The rights entitlement will be listed on the MSX and can be sold or purchased through the MSX.

16.2. Issue Period & Issue Price

Issue opens on – 21 June 2021

Issue closes on – 30 June 2021

Issue Price – Baizas 190 per share (consisting of an issue price of Baizas 190).

16.3. Trading of Rights

The rights entitlement is tradable on the MSX in accordance with applicable laws of the CMA and the MSX. Such rights can be traded i.e., bought and sold during its trading period. The buyer of such rights shall contact and co-ordinate with the Issue Manager to collect the requisite Application Form, fill it and submit it to the Collecting Bank, together with application money and required documents on or before the Issue closing date in accordance with the terms contained in this Prospectus. Unexercised rights shall lapse at the end of the issue period.

16.4. Subscription for Additional Shares

- 1) Only shareholders entitled to subscribe to the rights issue as on the Record Date shall be entitled to subscribe to Additional Shares.
- 2) A Shareholder who does not subscribe to his/her full rights entitlement or sells his/her rights entitlement (either partially or in full) is not eligible to apply for Additional Shares.
- 3) A non-shareholder who buys rights entitlement, is not eligible to apply for Additional Shares.
- 4) Shareholders validly subscribing to their full entitlement of Offer Shares can apply for Additional Shares;
- 5) Shareholders who want to apply for Additional Shares should indicate it by writing the desired number of Additional Shares in their Application Form and make the required payment with submission of Application Form to Collecting Bank;
- 6) The minimum Additional Shares that can be applied for is one Offer Share with the maximum up



to a number such that the total application (including original entitlement, rights purchased and Additional Shares) does not exceed the entire Rights Issue size;

- 7) Additional Shares will be allotted simultaneously with the Offer Shares, subject to CMA approval.
- 8) If the total Additional Shares applied for is more than the under-subscription (before considering additional shares) in the Rights Issue, each Applicant will be allotted Additional Shares on a pro-rata basis proportionate to the number of Additional Shares applied for, and the balance will be refunded;
- 9) If the total Additional Shares applied by Applicants is less than the under-subscription (before considering Additional Shares) in the Rights Issue, all eligible Applicants will be allotted full Additional Shares applied by them;
- 10) If there is any balance under-subscription even after allotment of Additional Shares, such shares shall be allotted in their entirety to the Company's bondholders as on the Record Date in accordance with the terms and conditions of this Prospectus.

The decision of the Issue Manager, in consultation with the CMA, shall be final and binding in respect of the allotment of Shares.

Note: Applicants should ensure that their post-rights issue shareholding is within the shareholding limits prescribed in the laws of Oman.

16.5. Allotment of Unsubscribed Shares

Unsubscribed Shares shall be allotted to the Company's bond holders as on the Record Date at an issue price of Baizas 190 (one hundred and ninety baizas), noting that the Company shall ensure the settlement of all amounts due for the allotted shares from the face value and accrued interest due to bondholders, such that each bond which has not been redeemed from the proceeds of this rights issue is converted to 0.6 shares in the Company, duly rounded off in accordance with the resolutions of the Company's extraordinary general meeting held on 31 March 2021 and the bondholders' meeting held on 27 April 2021.

16.6. Subscription on Behalf of Minor Children

- 1) An individual of age less than 18 years as on Record Date will be considered a minor.
- 2) Only a father may subscribe on behalf of his minor child(ren).
- 3) If a Subscription is made on behalf of a minor by any person other than the minor's father, the person submitting the Subscription shall be required to attach a valid Shari'ah (Legal) Power of Attorney issued by the competent authorities authorizing him to deal in the funds of the minor through sale, purchase and investment.

16.7. Minimum and Maximum Application

The minimum application can be for one Share and the maximum application for each shareholder (including original rights entitlement, rights entitlement purchased and Additional Shares) cannot exceed the entire Rights Issue size.



16.8. Particulars of the Bank Account

- 1) Each Applicant shall be required to furnish the particulars of his/her bank account (registered in the name of the Applicant). The Applicant shall not use the bank account number of any other person except in case of minor children only.
- 2) If the bank account of the Applicant is registered with a bank other than the one receiving the Subscription, he/she shall be required to submit a document in evidence of correctness of the bank account particulars as provided for in the Application Form. This can be done by submitting any document from the Applicant's bank which clearly shows the account number and name of the account holder (Applicant), such as an account statement issued by the bank or a letter/document issued by the Applicant's bank containing the aforesaid information. The Applicant shall ensure that such evidence submitted is readable in a clear manner. The Applicant is not obliged to submit evidence of his/her bank account if he/she is subscribing through the bank wherein he/she maintains his/her account. In this case, the bank receiving the Subscription shall verify and confirm the Applicant's account details in its specific system and procedure.
- 3) The bank account provided in the Application Form would be used only for refunds.
- 4) The Application Form containing the bank account number of a person other than the Applicant shall be rejected except with respect to applications made on behalf of minor children that contain the bank account particulars of their father.

16.9. Documentation Required

- 1) Copy of Applicant's personal Civil ID/Passport/Commercial Registration certificate, as applicable.
- 2) Submission of a document confirming correctness of the bank account details written in the Application Form, only if the Subscription is through a bank other than the one with whom the Applicant has his/her bank account.
- 3) Copy of a valid Power of Attorney duly endorsed by the competent legal authorities in the event the Subscription is on behalf of another person.
- 4) In case of applications by juristic persons (non-individuals), which are signed by a person in his/her capacity as an authorized signatory, a copy of adequate and valid documentation should be attached.

16.10. Mode of Subscription

- 1) The Applicant shall be required to fill in the Application Form for the Subscription and furnish all his/ her particulars including the Shareholder Number available with MCDC, Civil ID Number/Passport Number/Commercial Registration Number or similar details.
- 2) The Applicant shall be responsible for furnishing all his/her particulars, ensuring correctness and validity of the information provided in the Application Form. While emphasizing on it, the Collecting Bank has been instructed to accept only those Application Forms that comply with all requirements provided in the Application Form and Prospectus.



- 3) Before filling the Application Form, the Applicant should peruse the Prospectus and read the conditions and procedures governing the subscription with total care and importance.
- 4) Those who validly purchase a Rights Entitlement in the MSM during the Rights Trading Period should contact the Issue Manager and submit a copy of their purchase invoice issued by their broker or statement of account issued by MCDC showing their holding of the Rights Entitlement. The Issue Manager will issue the Application Form to such Applicants. Only the Application Form issued by the Issue Manager should be used by such Applicants.
- 5) The Applicant shall submit the Application Form to the Collecting Bank along with the payment towards the Offer Shares (including any Additional Shares) and also ensure that the documents in support of the information furnished are enclosed.
- 6) The payment for the Subscription should be made by the Applicant in Omani Rials only. Payment in any other currency may cause rejection of application.
- 7) In case of payment through bank transfer, the Applicant is responsible for ensuring successful transfer of Subscription amount to Collecting Bank within the Subscription period and attach a copy of the bank transfer confirmation with his/her Application Form.
- 8) Payment of the value of the Subscription can be made by cash/cheque/bank transfer to the following account:

Dhofar International Development & Investment Holding Co. Rights Issue a/c
A/c no. 9800 – 920908 - 520
Ahli Bank SAOG
SWIFT Code : AUBOOMRUXXX

16.11. Availability of Duplicate Application Forms

Only the original Application Form (with pre-printed details) sent to eligible Shareholders should be used. Photocopy of Application Forms will not be accepted. If any eligible Shareholder does not receive the original Application Form, such person must contact the Issue Manager or the Collecting Bank sufficiently in advance of the Subscription closing date to obtain a duplicate Application Form. Applicants submitting a duplicate Application Form should not use the original Application Form, even if it is received/found subsequently. In case of violation of this requirement, both the Application Forms may be rejected.

16.12. Collecting Bank

The applications for Subscription shall be accepted by the Collecting Bank – Ahli Bank SAOG during its official working hours only. The Collecting Bank shall accept the Application Form for Subscription after confirmation of compliance of the procedure and subject matter in line with the requirements as provided for in the Prospectus. Hence, the Collecting Bank must instruct the Applicants to comply and fulfil all requirements stated in the Application Form and the Prospectus.



The Applicant shall be responsible for submission of his/her Application Form to the Collecting Bank before closing of the period for Subscription. In this regard, the Collecting Bank shall have the right not to accept any Application Form that reaches it after its official working hours on Subscription closing date.

16.13. Acceptance of the Applications

The Collecting Bank shall neither receive nor accept the applications for Subscription under the following circumstances:

- 1) If the Application Form does not bear the signature and stamp (if applicable) of the Applicant with the exception of fathers who subscribe and sign on behalf of their minor children.
- 2) In case of failure to pay the value of the Offer Shares subscribed in accordance with the conditions provided for in the Prospectus.
- 3) If the value of the Offer Shares subscribed is paid through cheque and it is dishonored for whatever reason.
- 4) If the Application Form does not bear the Applicant's investor number available with MCDC.
- 5) If the investor account number furnished in the Application Form is incorrect.
- 6) If there is more than one Application Form with the same Applicant's name, all of them shall be rejected.
- 7) If there is more than one Application Form with same investor number, all of them shall be rejected.
- 8) If the supporting documents referred to in the Prospectus are not enclosed with the Application Form.
- 9) If the Application Form does not contain all particulars of the bank account of the Applicant.
- 10) If the bank account details of the Applicant in the Application Form are found to be incorrect.
- 11) If the bank account details provided in the Application Form are found to be not relevant to the Applicant with the exception of applications submitted in the name of minor children, which may include the particulars of bank accounts held by their father.
- 12) In case of failure to attach Power of Attorney with Application Form as provided for in the Prospectus in respect of the person who subscribes and signs on behalf of another person (with the exception of a father who subscribes on behalf of his minor children).
- 13) If the application is incomplete in any respect or has not complied with the legal and organizational requirements as provided for in the Prospectus.

If the Collecting Bank observes, after receipt of the Application Form and before expiry of the time schedule prescribed for handing over the Application Forms in final form to the Issue Manager, that the application has not complied with the legal or other requirements as provided in the Prospectus, then the Collecting Bank shall take due efforts to contact the Applicant so as to correct the detected mistake. In case of failure to have the mistake corrected within the period referred to, the Collecting Bank shall return the Application Form to such Applicant together with the Subscription amount.



16.14. Refusal/ Rejection of Applications

The Issue Manager may reject the Subscription application under any of the conditions referred to above, after securing approval of the CMA and submission of a report furnishing the details of the applications that are required to be rejected and reasons behind such rejection.

16.15. Enquiry and Complaints

Applicants seeking clarification or to file complaints about allotment or rejected applications or refunds may contact the branch of the Collecting Bank where the Application Form was submitted. In case of absence of response from the branch, the Applicant may contact the person concerned as hereunder:

Ms. Duaa Al Zaabi
Ahli Bank SAOG
PO Box 545, PC 116, Mina Al Fahal, Muscat, Oman
Tel: +968 24577922, Fax: +968 24562120
Email: Duaa.ALZaabi@Ahlibank.om

If the Collecting Bank fails to arrive at a solution or settlement with the Applicant, it shall refer it to the Issue Manager, and keep the Applicant updated. The Applicant shall keep in touch only with the Collecting Bank to know the outcome.

16.16. Issue Manager's Contact

Mr. Amin Al Balushi
Ahli Bank SAOG
PO Box 545, PC 116, Mina Al Fahal, Muscat, Oman
Tel : +968 24577830 Fax : +968 24562120
Email: amin.albalushi@ahlibank.om

16.17. Restrictions on Shareholding

Applicants are required to comply with the shareholding limits prescribed in the laws of Oman. In case the post-issue shareholding of any Applicant is likely to exceed the prescribed limits, he/she must obtain approval for such potential excess shareholding before he/she submits his/her Application Form. The Applicant must attach a copy of the relevant approval for excess shareholding along with his/her Application Form.

The Company undertakes to comply with the by-laws of Oman.

16.18. Allotment & Refund

The Offer Shares shall be allotted, and refunds will be made (if required) within 3 Business Days from allotment, after obtaining CMA approval for the same. The Applicant, after the announcement of the allotment, shall ensure that the allotted Shares are appearing in its account with MCDC.

Refunds (if any) shall be made to the Applicant's bank account as provided in the Application Form net of the bank charges and for refunds in foreign currency, as per the foreign exchange rate between RO and the currency of the respective country, at the date such refund is made.

In case of any discrepancy, the Collecting Bank / Issue Manager should be contacted immediately.



16.19. Responsibilities of Shareholders/ Applicants in Rights Issue

A Shareholder as on the Record Date who sells his/her Rights Issue entitlement through the MSX will lose his/her right to subscribe to the Offer Shares to that extent. Furthermore, such shareholders cannot apply for Additional Shares. An investor who buys the rights entitlement through the MSX should exercise his/her/its right to subscribe to the Offer Shares by submitting his/her/its Application Form (which can be obtained from Issue Manager) to the Collecting Bank before the Subscription closing date. Such investors are not eligible to apply for Additional Shares unless they are also Eligible Shareholders.

16.20. Issuer's Rights

The Issuer reserves the right to withdraw/cancel the Issue prior to the listing date for any reasons including in the event of any unforeseen development adversely affecting the economic and regulatory environment, any force majeure condition including any change in applicable law, etc. If the Issue is withdrawn or cancelled, the received Subscription amounts will be refunded in full, without any interest or further liability.



16.21. Proposed Timetable

The following is only an indicative proposed timetable for the Issue:

Activity	Date*
Approval of prospectus by the CMA	6 June 2021
Date of publication of announcement: After approval of the Prospectus, at least five working days before the Record Date, the Issuer must publish an advertisement approved by CMA in at least one daily newspaper in Arabic, notifying the Shareholders and other investors of the Rights Issue. The advertisement must include a summary of the Prospectus including the volume and ratio of the increase in the capital, issue price, the Record Date, Collecting Bank, Subscription period and the period for the trading of the rights entitlement.	8 June 2021
Record Date: Shareholders registered in MCDC records as at this date are eligible for Subscription to the Rights Issue as holders of the rights.	14 June 2021
Service of Notices on the Shareholders: At least three days before the Subscription Opening Date, the Issue Manager shall send written or electronic notices to each Shareholder at the address recorded in the Shareholders record advising of the Rights Issue together with the approved Prospectus and an application form. The notice will specify the rights entitlement that may be subscribed.	15 June 2021
Listing of the rights entitlement (Rights Trading Opening Date): The Issuer and the Issue Manager in collaboration with MCDC and MSX will carry out the procedures for listing of the rights for trading on MSX within five working days from the Record date. A record of holders of the rights shall be prepared for the purposes of the trading of the rights within the specified period. The rights shall be separated from the Shares and shall be traded separately.	20 June 2021
Date of commencement of Subscription (Issue Open Date)	21 June 2021
End of trading of the rights (Rights Trading Closing Date)	27 June 2021
End of Subscription period (Issue Close Date)	30 June 2021
Submission of subscription results to CMA for approval	6 July 2021
Listing of shares on the MSX	8 July 2021

* The actual dates may vary.

16.22. Responsibilities and Obligations

The Issuer, Issue Manager, Legal Advisor, Collecting Bank and the MCDC shall abide by the responsibilities and duties specified under the Regulations issued by the CMA and shall comply with any other responsibilities and obligations set out in the agreements entered into between them. The parties concerned shall be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. In such event the Issue Manager shall liaise with relevant authorities such as CMA and MSX for taking suitable steps and measures for repairing such damages.



CHAPTER 17: UNDERTAKINGS

17.1. Dhofar International Development & Investment Holding Company SAOG

The Board of Directors of the Company jointly and severally undertake that:

1. The information provided in this Prospectus is true and complete.
2. Due diligence was done to ensure that no material information has been omitted, the omission of which would render this prospectus misleading.
3. All provisions of Capital Market Law, the Commercial Companies Law, the executive regulations for public joint stock companies, and the rules and regulations issued thereunder have been complied with.

Signed on behalf of the Board of Directors:

Name	Signature
Mr. Tariq Abdulhafidh Salim Al Aujaili	Sd.
Mr. Omar Ahmed Abdullah Al Shaikh	Sd.



17.2. Issue Manager

Pursuant to our responsibilities under Article 3 of the Capital Market Law, the Executive Regulations thereof and the directives issued by CMA, we have reviewed all relevant documents and other material required for the preparation of the Prospectus pertaining to the Rights Issue.

The Board of Directors of Dhofar International development & Investment Holding Company SAOG shall bear the responsibility for the validity and correctness of the information provided in this Prospectus, and they have confirmed that no material information has been omitted from it, the omission of which would render this Prospectus misleading.

We do confirm that we have taken necessary due care as required by our profession with regard to the Prospectus that has been prepared under our supervision. On the basis of the review work referred to above and discussions held with the Issuer, its Directors, officials and other related parties with regard to the subject matter of the Issue and contents of the documents submitted to us, we confirm as under:

1. We have taken necessary and reasonable care to ensure that the information given to us by the Issuer and that contained in the Prospectus are consistent with the facts available in the documents and other material pertaining to the Issue.
2. To the best of our knowledge and on the basis of our perusal and information given to us by the Issuer, the Issuer has not omitted any material information, the omission of which would render the Prospectus misleading.
3. The Prospectus and the Issue to which it relates is consistent with all the rules and terms of disclosure stipulated for in the Capital Market Law, the Executive Regulations of the Capital Market Law, the executive regulations for public joint stock companies, and prospectus models applied by CMA and is in conformity with the Commercial Companies Law and decisions issued in this regard.
4. The information contained in this Prospectus in Arabic (with its unofficial translation in English) is correct, reasonable, and adequate as per our perusal to assist the investor in taking an appropriate decision whether or not to invest in the securities offered.

Sd.

Ahli Bank SAOG



17.3. Legal Advisor to the Issue

The Legal Advisor, whose name appears below, hereby confirms that all the procedures undertaken with regard to the offering of the securities the subject matter of the Prospectus are in line with the laws and legislations related to the Issuer's business, the Commercial Companies Law, the Capital Market Law, the executive regulations for public joint stock companies, and the regulations and directives issued pursuant to them, the requirement and rules for the issue of securities issued by the CMA, the Articles of Association of the Issuer and the resolutions of the general meeting and Board of Directors of the Issuer. The Issuer has secured all the consents and approvals of the official authorities required to carry out the activities which is the subject matter of the Prospectus.

Sd.

Zaid Al Malki & Nasser Al- Tabeeb law firm







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