

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2020**

	<b>6 months ended 30th June 2020</b>	6 months ended 30th June 2019
	Amount Rial '000	Amount Rial '000
<b>Total assets</b>	<b>207,348</b>	808,086
<b>Total liabilities</b>	<b>131,255</b>	613,000
<b>Net assets (excluding Perpetual notes and Minority)</b>	<b>58,128</b>	57,694
<b>Net assets per share (Rial)</b>	<b>0.272</b>	0.174
<b>Current ratio</b>	<b>1.5</b>	1.3

	<b>6 months ended 30th June 2020</b>	6 months ended 30th June 2019
	Amount Rial '000	Amount Rial '000
<b>Gross profit</b>	<b>11,184</b>	9,150
<b>Gross profit margin %</b>	<b>21%</b>	18%
<b>Net profit after tax</b>	<b>5,370</b>	12,595
<b>Net profit after minority interest</b>	<b>4,039</b>	7,831
<b>Earnings per share (Rial) (after Perpetual notes coupon)</b>	<b>0.019</b>	0.018

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
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Unaudited consolidated balance sheet as at  
30th June 2020

	Notes	6 months ended 30th June 2020 Amount Rial '000	6 months ended 30th June 2019 Amount Rial '000
<b>Non current assets</b>			
Property, plant and equipment		129,876	136,246
Intangible assets		2,023	3,014
Investments - FVTOCI	5,6,7	3,710	-
		<u>135,609</u>	<u>139,260</u>
<b>Current assets</b>			
Inventories	1	5,311	4,216
Trade receivables & Prepayments	2&9	41,111	43,292
Receivables from related parties		215	71
Investments - FVTPL	5,6,7&9	1,514	245
Bank and cash		23,588	8,386
		<u>71,739</u>	<u>56,210</u>
Assets of disposal group classified as held-for-sale	5	-	612,616
		<u>71,739</u>	<u>668,826</u>
		<b>Current assets</b>	<b>668,826</b>
		<b>Total assets</b>	<b>808,086</b>
<b>Current liabilities</b>			
Trade & other creditors		41,552	37,077
Working capital borrowings	4	2,017	14,438
Term loans - current portion	4	4,225	9,081
		<u>47,794</u>	<u>60,596</u>
Liabilities of disposal group classified as held-for-sale	5	-	437,070
		<u>47,794</u>	<u>497,666</u>
		<b>Current liabilities</b>	<b>497,666</b>
<b>Long term liabilities</b>			
Term loans	4	73,515	103,230
Non current payables and advance (including lease liabilities)		5,385	8,157
Staff terminal benefits		4,561	3,947
		<u>83,461</u>	<u>115,334</u>
		<b>Total Liabilities</b>	<b>613,000</b>
<b>Net assets</b>	<b>TOTAL -A</b>	<b>76,093</b>	<b>195,086</b>
<b>Capital and reserves</b>			
Share capital		23,641	36,727
Treasury shares	6	(6,853)	(6,853)
Share premium		26,936	26,936
Legal reserve		8,343	12,446
Subordinated loan reserve		3,000	3,482
Other reserves		166	(96)
Retained earnings		(1,144)	(22,779)
Profit for the period		4,039	7,831
		<u>58,128</u>	<u>57,694</u>
Perpetual notes	4	-	46,799
Minority interest		17,965	90,593
		<u>76,093</u>	<u>195,086</u>
	<b>TOTAL -B</b>	<b>76,093</b>	<b>195,086</b>

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2020**

**Unaudited consolidated income statement**  
**For the six months ended**  
**30th June 2020**

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	<b>6 months ended 30th June 2019 Amount Rial '000</b>
<b>Turnover</b>	<b>54,532</b>	51,017
<b>Gross profit</b>	<b>11,184</b>	9,150
Administration & general expenses	(3,730)	(3,885)
<b>Operating profit</b>	<b>7,454</b>	5,265
Investment and other income	295	41
Finance charges	(2,372)	(2,672)
<b>Profit before tax and minority interests</b>	<b>5,377</b>	2,634
Tax	(7)	(650)
<b>Profit for the period from continuing operations</b>	<b>5,370</b>	1,984
Profit from discontinued operations (Note 5)	-	10,611
<b>Profit for the period</b>	<b>5,370</b>	12,595
Minority interest	(1,331)	(4,764)
<b>Net profit attributable to Ordinary Shareholders</b>	<b>4,039</b>	7,831
<b>Dividend per share (Rial)</b>	<b>0.020</b>	-
<b>Net profit margin (%)</b>	<b>9.8%</b>	3.9%

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES**  
**INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2020**

**Unaudited consolidated statement of cash flows**  
**For the six months ended**  
**30th June 2020**

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	6 months ended 30th June 2019 Amount Rial '000
<b>Cash from operations</b>	<b>9,862</b>	26,391
Net tax (paid)/refund received	<b>182</b>	(6,203)
Net interest paid	<b>(2,130)</b>	(15,466)
<b>Net cash from operating activities</b>	<b>7,914</b>	4,722
<b>Net cash used in investing activities</b>	<b>(7,151)</b>	(45,444)
<b>Net cash from/(used) in financing activities</b>	<b>(10,970)</b>	31,774
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(10,207)</b>	(8,948)
Cash and cash equivalents brought forward	<b>33,778</b>	31,625
Cash and cash equivalents included under assets of disposal group classified as held-for-sale	-	(15,771)
<b>Cash and cash equivalents carried forward</b>	<b>23,571</b>	6,906

Note: Statement of cashflows for the period ended 30th June 2019 includes cashflows relating to Topaz Energy and Marine Limited (Topaz), an erstwhile subsidiary of Renaissance (Note 5)

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**Unaudited consolidated statement of changes in equity**  
**For the six months ended**  
**30th June 2020**

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total Rial '000
1st January 2020	23,641	26,936	8,341	3,362	62,280
Net profit for the period	-	-	-	4,039	4,039
Income from treasury shares				457	457
Dividend declared	-	-	-	(4,728)	(4,728)
Transactions with MI	-	-	2	(235)	(233)
<b>30th June 2020</b>	<b>23,641</b>	<b>26,936</b>	<b>8,343</b>	<b>2,895</b>	<b>61,815</b>
1st January 2019	36,727	26,936	12,446	(20,621)	55,488
Net profit for the period				7,831	7,831
Transactions with MI	-	-	-	(250)	(250)
Perpetual notes coupon paid	-	-	-	(1,908)	(1,908)
<b>30th June 2019</b>	<b>36,727</b>	<b>26,936</b>	<b>12,446</b>	<b>(14,948)</b>	<b>61,161</b>

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**Notes**

**1. Inventories**

Inventories can be analysed as follows:

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	<b>6 months ended 30th June 2019 Amount Rial '000</b>
Catering stock and consumables	5,311	4,216

**2. Trade receivables**

Trade receivables can be analysed as follows

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	<b>6 months ended 30th June 2019 Amount Rial '000</b>
Trade receivables and Prepayments & advances	43,297	45,464
Less: Provisions	(2,186)	(2,172)
	41,111	43,292

**3. Segment Reporting**

Renaissance currently operates only one business segment.

**4. Bank loans and overdrafts**

These can be analysed as follows:

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	<b>6 months ended 30th June 2019 Amount Rial '000</b>
Term loans	77,740	112,311
Short term loans	2,000	12,958
Overdrafts	17	1,480
	79,757	126,749
Current maturities of term loans	(4,225)	(9,081)
Short term loans and overdrafts	(2,017)	(14,438)
Long term portion of term loans	73,515	103,230

The bank loans and working capital borrowings are secured by charge over certain assets of the company and its subsidiaries and corporate guarantee. The bank loans and overdrafts bear commercial rates.

Renaissance had prepaid term loans/working capital borrowings amounting to RO 40.8m in Q3 2019 by utilising proceeds received from divestment of Topaz.

The maturity of long term loans:

	<b>6 months ended 30th June 2020 Amount Rial '000</b>	<b>6 months ended 30th June 2019 Amount Rial '000</b>
Due within one year	4,225	9,081
Due after one year	73,515	103,230
	77,740	112,311

**Perpetual Notes**

Renaissance International Limited (the "Issuer"), a limited liability company registered in Cayman Islands and a wholly-owned subsidiary of the company, had issued RO 48.3 million (USD 125.5 million) perpetual notes to repurchase a part of the Mandatory Convertible Bonds issued by the Company. Issuance costs amounting to RO 1.5 million (USD 3.9 million) were incurred. Perpetual notes were bearing a coupon rate of 7.9% per annum. Coupon distributions were reported in the consolidated statement of changes in equity.

The Issuer had repurchased/redeemed 100% P Notes of RO 48.3 million in Q4 2019 at par value including coupons accrued till the date of repurchase/redemption by utilising proceeds received from divestment of Topaz.

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**5. Investments in associates and subsidiaries**

**Associates**

There are no investment in associate companies.

**Subsidiaries**

Investments in subsidiaries are accounted for using the consolidated method as per International Financial Reporting Standards ("IFRS").

The principal operating subsidiaries of Renaissance Services SAOG (the company) are as follows:

Company	30th June 2020 Holding %	30th June 2019 Holding %
1) Tawoos Industrial Services Company SAOC (TISCO)	<b>100%</b>	100%
2) Renaissance Duqm Holding SAOC (RDH)	<b>52.8%</b>	51.9%
<b>Subsidiaries of TISCO</b>		
1) Rusail Catering & Cleaning Services LLC (RCCS)	<b>100%</b>	100%
2) Renaissance Sager Environment Solutions LLC (RS SAGER)	<b>51%</b>	51%
3) Renaissance Contract Services International LLC (RCSI)	<b>100%</b>	100%
4) Renaissance Facilities Management Company SAOC (RFMC)	<b>100%</b>	100%
<b>Subsidiary of RDH</b>		
1) Renaissance Duqm Accommodation Company SAOC (RDAC)	<b>100%</b>	100%

Assets/Liabilities of disposal group classified as held-for-sale represents assets and liabilities of the Company's erstwhile subsidiary Topaz Energy and Marine Limited (Topaz). Renaissance had divested Topaz in Q3 2019. Net profit after tax from discontinued operations represents net profit of Topaz for the 6 months period ended 30th June 2019.

RCSI through its subsidiaries in UAE, provides catering and allied services.

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**6. Investments**

Investments include all long term and short term investments of the company, excluding only those associates and subsidiaries listed in Note 5. Marketable Securities are carried at their open market value.

Unquoted and other investments are carried at cost adjusted for any appreciation or diminutions in value.

Investments can be analysed as follows:

	<b>Market Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Book Value</b>
	<b>6 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
<b>Short Term investments</b>	<b>30th June 2020</b>	<b>30th June 2019</b>	<b>30th June 2020</b>	<b>30th June 2019</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	<b>Rial '000</b>	<b>Rial '000</b>	<b>Rial '000</b>	<b>Rial '000</b>
<b>Marketable securities - Oman</b>				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	-	7	-	7
Government Bonds	-	-	-	-
	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>
<b>Marketable securities - Foreign</b>				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unquoted and other investments</b>				
Unquoted Omani shares	-	-	-	-
Investment fund units	1,514	238	1,514	238
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
	<u>1,514</u>	<u>238</u>	<u>1,514</u>	<u>238</u>

**Long Term investments**

Long term investments of RO 3,710K (2019: NIL) represents market value of investments in Omani and Foreign quoted shares, and investments in Oman Government and other bonds. These investments are classified as measured at fair value through other comprehensive income (FVTOCI). The movement in the market value of these investments have been recognised in the statement of other comprehensive income and disclosed under other reserves in the balance sheet. Gains and losses accumulated in the statement of other comprehensive income are reclassified to the profit or loss account upon sale of fixed income instruments.

A subsidiary company holds 22,829,240 shares (2019 - 35,466,175 shares) in Renaissance Services SAOG. Cost of these treasury shares of Rial 6,853K (2019: Rial 6,853K) has been shown as a deduction from equity.

**6a. Investments income**

**Realised**

Realised investment income represents gains and losses on disposal of investments and other realised investment related gains and losses.

**Unrealised**

Marketable securities are recorded at their open market value. Movements in the carrying values of marketable securities are taken to unrealised investment income.

	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30th June 2020</b>	<b>30th June 2019</b>
	<b>Amount</b>	<b>Amount</b>
	<b>Rial '000</b>	<b>Rial '000</b>
Investment income can be analysed as follows		
Realised	260	13
Unrealised	101	-
	<u>361</u>	<u>13</u>



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**7. Details of significant Investments**

Details of all the reporting company's investments including Associates/Subsidiaries for which either the reporting company's holdings represent 10% or more of the issued share capital or the reporting company's holdings exceed 10% of the market value of the reporting company's investment portfolio are provided as follows as on:-

**30th June 2020**

	<b>Holding %</b>	<b>Number of Securities</b>	<b>Market Value</b> Amount Rial '000	<b>Book Value</b> Amount Rial '000	<b>Cost</b> Amount Rial '000
<b>MSM Quoted Securities</b>	<b>0%</b>	-	-	-	-
<b>Foreign Listed Securities</b>	<b>0%</b>	-	-	-	-
<hr/>					
As of 30th June 2020		-	-	-	-
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	<b>Holding %</b>		<b>Book Value</b> Amount Rial '000	<b>Cost</b> Amount Rial '000
<b>MSM Unquoted Securities</b>	<b>0%</b>		-	-
Total as of 30th June 2020			-	-
<hr/>				
<b>Foreign Unlisted Securities</b>	<b>0%</b>		-	-
Total as of 30th June 2020			-	-
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**8. Related parties & holders of 10% of company shares.**

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

<b>Income items</b>	<b>6 months ended</b> <b>30th June 2020</b> <b>Amount Rial '000</b>	<b>6 months ended</b> <b>30th June 2019</b> <b>Amount Rial '000</b>
Tawoos LLC - Services	5	5
<b>Expense Items</b>	<b>5</b>	<b>5</b>

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

	<b>6 months ended</b> <b>30th June 2020</b> <b>Amount Rial '000</b>	<b>6 months ended</b> <b>30th June 2019</b> <b>Amount Rial '000</b>
Tawoos LLC	-	-

**8a. Loans, Advances, Receivables due, Provisions & write offs**

Loans, advances or receivables due from related parties holding 10% or more of the company's shares minus all provisions and write-offs which have been made on these accounts at any time, are further analysed as follows:

	<b>6 months ended</b> <b>30th June 2020</b> <b>Amount Rial '000</b>	<b>6 months ended</b> <b>30th June 2019</b> <b>Amount Rial '000</b>
Tawoos LLC	14	7
	<b>14</b>	<b>7</b>

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**9. Provisions**

Changes to the level of provisions during the period can be analysed as follows.

Provisions for :	Receivables & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Beginning balance of Provision	2,085	-	-	2,085
Provided during the period	101	-	-	101
Transfer up on divestment of Topaz	-	-	-	-
(Written off) during the period	-	-	-	-
Provision balance as of 30th June 2020	2,186	-	-	2,186

Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	43,297	5,224	5,311	53,832
Provision balance as of 30th June 2020	(2,186)	-	-	(2,186)
Book value of assets as of 30th June 2020	41,111	5,224	5,311	51,646

**10. Shareholders**

All the shareholders of the company who own 10% or more of the company's shares and the number of shares they hold are as follows:

	6 months ended 30th June 2020 No of shares	6 months ended 30th June 2019 No of shares
<b>Common Share holders:</b>		
Cyclical Services LLC	34,408,309	53,454,738
Tawoos LLC	27,381,324	42,538,025
<b>Preferred Shareholders:</b>		
Nil	-	-
	61,789,633	95,992,763