
Chairman's Report for the Quarter ended September 30, 2024

Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the unaudited consolidated financial statements of A'Sharqiya Investment Holding Company (SAOG) and its subsidiary – Qalhat Real Estate Investments & Services LLC. (QREIS) - for the nine-month period ended September 30, 2024.

Overview of Operations and Financial Performance

A summary of the company's operating performance for the nine-month period ended September 30, 2024 in comparison to the corresponding period in 2023 and the full year ended 2023 is presented below:

(RO in '000)

Quarter ended September 30, 2024	Sep 30 2024	Sep 30 2023	% Increase/ (Decrease)	Full Year ended 2023
Total Operating Income	892	817	9.2	1,224
Profit after Tax (PAT)	362	257	41.1	485
Total Assets	18,160	16,894	7.5	18,477
Shareholder's Equity	14,387	13,048	10.3	14,614

It may be noted from above; the company's operations during the nine-month period ended September 30, 2024 generated an income of RO 892,388 as compared to RO 817,289 during the corresponding period in 2023. Profit before tax recorded an increase of 33.3% at RO 405,012 as against RO 303,743. The profit after tax arising from the company's operations during this period aggregated to RO 362,123 as compared to RO 256,644 generated during the comparable period in 2023 reflecting an increase of 41.1%. The increase in operating income and Net Profit was due to higher investment income despite lower lease income recorded in comparison to the same period last year.

The total assets of the company as of September 30, 2024 was RO 18,159,781 as compared to a RO 16,894,121 as at September 30, 2023, reflecting an increase of 7.5%. Shareholder's Equity increased 10.3% to RO 14,386,976 from RO 13,048,411 in the same period last year. The break-up value of the company's equity share works out to Baizas 160 on September 30, 2024 as compared to Baizas 145 on September 30, 2023.

Investment and future Outlook

The global economy is expected to grow 3.2% in 2024 and 3.2% in 2025 after increasing 3.3% in 2023, as per IMF World Economic Outlook Update (October 2024). While the forecasts have remained virtually unchanged during the last 6 months, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies—in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities, especially oil—conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. Cyclical imbalances have eased since the beginning of the year, bringing inflation rates across countries closer together and on balance has contributed to lower global inflation.

Oman's economic growth is estimated at 1.0% in 2024 after increasing 1.3% in 2023 and is expected to grow 3.1% in 2025. The change in global monetary conditions is easing the pressure on emerging market economies, with their currencies strengthening against the US dollar and financial conditions improving. This will help reduce imported inflation pressures, allowing these countries to pursue more easily their own disinflation path.

The outlook for our investment portfolio is positive with the Company's increasing diversification into key geographies and other asset classes. The Company will continue to support its investee companies in the local market with a long-term view and focus on opportunities in other markets to achieve effective diversification of the portfolio.

On behalf of the Board of Directors, I would like to express our sincere gratitude to His Majesty Sultan Haitham bin Tariq for his able leadership of the country. I also thank the shareholders for their continued support and for the confidence reposed on the company. My appreciation also goes to the company's management and staff for their contributions and commitment to the company.

Mohammed Ali Mohammed Al Fannah

Chairman