

## Chairman's Report for the Quarter ended March 31, 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 three month period ended March 31, 2024.

### **Overview of Operations and Financial Performance**

A summary of the company's operating performance for the three-month period ended March 31, 2024 in comparison to the corresponding period in 2023 and the full year ended 2023 is presented below:

(RO in '000)

Quarter ended March 31, 2024	March 31 2024	March 31 2023	% Increase/ (Decrease)	Full Year ended 2023
Total Operating Income	487	379	28.4	1,224
Profit after Tax (PAT)	301	195	54.2	485
Total Assets	18,482	18,210	1.5	18,477
Shareholder's Equity	14,841	14,478	2.5	14,614

It may be noted from above; the company's operations during the three month period ended March 31, 2024 generated an income of RO 486,778 as compared to RO 379,185 during the corresponding period in 2023. Profit before tax recorded an increase of 51.3% at RO 319,946 as against RO 211,454. The profit after tax arising from the company's operations during this period aggregated to RO 301,344 as compared to RO 195,395 generated during the comparable period in 2023 reflecting an increase of 54.2%. 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 at March 31, 2024 was RO 18,482,324 as compared to a RO 18,210,493 as at March 31, 2023, reflecting an increase of 1.5%. Shareholder's Equity increased 2.5% to RO 14,841,504 from RO 14,477,611 in the same period last year. The break-up value of the company's equity share works out to Baizas 165 on March 31, 2024 as compared to Baizas 161 on March 31, 2023.

## **Investment and future Outlook**

The global economy is expected to grow 3.2% in 2024 and 2025 after increasing at a similar pace in 2023, as per IMF Economic Outlook (April 2024). Global headline inflation is forecast to decline steadily from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5% in 2025 with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Oman is projected to witness a GDP growth of 1.2% in 2024 followed by 3.1% in 2025.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. The above IMF projections for economic growth in 2024 have been increased by 0.1% since the outlook in January. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation.

The outlook for our investment portfolio is exciting with the Company's increasing diversification in to 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 during such an unprecedented crisis. 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**