

Chairman’s Report for the Half year ended June 30, 2025

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 SPC. (QREIS) - for the six-months period ended June 30, 2025, after it was approved by the Board of Directors meeting held on Thursday, August 7, 2025 based on the recommendation of the Audit Committee as submitted by the Executive Management.

Overview of Operations and Financial Performance

A summary of the Company’s operating performance for the six-month period ending June 30, 2025 in comparison to the corresponding period in 2024 and the full year ended 2024 is presented below:

(RO in ‘000)

| | June 30, 2025 | June 30, 2024 | % Increase/ (Decrease) | Dec 31st 2024 |
|------------------------|------------------|---------------|-------------------------------|---------------|
| Total Operating Income | 923 | 693 | 33.2 | 1,353 |
| Profit after Tax (PAT) | 475 | 331 | 43.2 | 628 |
| Total Assets | 19,055 | 18,681 | 2.0 | 18,724 |
| Shareholder’s Equity | 15,216 | 14,949 | 1.8 | 14,873 |

It may be noted from above; the Group’s operations for the period ending June 30, 2025, generated an income of RO 922,751 as compared to RO 692,905 for the corresponding period in 2024. The profit after tax arising from the Group’s operations during this period aggregated to RO 474,667 as compared to RO 331,411 generated during the comparable period in 2024 reflecting an increase of 43.2%.

During this half year, the Company, through its Subsidiary QRIES, renewed the lease agreement of its residential complex for a further period of five years with OLANG, as a continuation to its long-standing relationship with OLANG in providing a premium residential facility in Sur.

The total assets of the Group as of June 30, 2025 was RO 19,055,217 reflecting an increase of 2%. Shareholder Equity also increased by 1.8% to RO 15,216,138 from RO 14,948,960 in the same period last year.

The Book value per share of the Company’s currently stands at Baizas 169 on June 30, 2025 as compared to Baizas 166 on June 30, 2024 and 165 Baiza at the end of the year 2024.

Investment and future Outlook

The first half of 2025 saw the global economy continuing its slow but steady recovery from the inflationary shocks amid lingering challenges from 2024. Major economies like the United States and the Eurozone reported moderate GDP growth, aided by easing inflation and resilient labor markets. However, global interest rates remained elevated, as central banks like the U.S. Federal Reserve and the European Central Bank maintained a cautious stance.

Energy prices, particularly oil and gas, saw moderate volatility driven by geopolitical tensions and OPEC+ production decisions. Brent crude remained within the \$65–\$70 per barrel range. However, volatility and concerns over future demand led to cautious budget spending, with continued emphasis on economic diversification. It is truly encouraging to see the tireless efforts of the government to diversify its sources of income as much as possible, with the aim of building a flexible and diversified economy that does not rely solely on oil.

The company positioned its portfolio in the first half of 2025 on a conservative stance, with the Middle East and GCC economies being on a cautiously optimistic path, buoyed by oil revenues and diversified growth efforts, but still facing external challenges from global interest rates and geopolitical uncertainties.

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 and for his continued support to the private sector in 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

August 07, 2025