

A'Sharqiya Investment Holding Company SAOG and its subsidiary
Notes to the consolidated and separate interim financial statements for the six-month period ended 30 June 2025 (Figures expressed in Omani Rial)

1 Legal status and principal activities

A'Sharqiya Investment Holding Company SAOG ("the Parent Company") is an Omani public joint stock company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman. The Parent Company's shares are listed on the Muscat Stock Exchange. The principal activities of the Parent Company are investment related activities.

The Parent Company holds 100% shares in Qalhat Real Estate Investments & Services SPC ("the subsidiary"), a Single Person Company incorporated in the Sultanate of Oman. The principal activities of the subsidiary are real estate investment and development and leasing and maintenance of real estate properties.

The consolidated and separate interim financial statements as at, and for the period ended, 30 June 2025, comprise the results of the Parent Company and its subsidiary (together referred to as "the Group").

The Parent Company's principal place of business is located at Al Wattaya, Muscat, Sultanate of Oman.

These consolidated and separate interim financial statements were approved for issue by the Board of Directors on 7th August 2025.

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate interim financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman and the minimum disclosure requirements issued by the Financial Services Authority (FSA).

(b) Basis of presentation

The consolidated and separate interim financial statements have been prepared on historical cost and investments in debt instruments which are stated at amortised cost except for investments in equity instruments at fair value through profit or loss and investments in equity instruments at fair value through other comprehensive income which have been measured at fair value. The preparation of interim financial statements in conformity with IFRS Accounting Standards that, requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies.

(c) Basis of measurement

The consolidated and separate interim financial statements for the six-month period ended 30 June 2025 have been presented in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The accounting policies adopted in preparation of the consolidated and separate interim financial statements are the same that were followed as at, and for the period ended, 30 June 2025. These consolidated and separate interim financial statements should therefore be read in conjunction with the audited annual consolidated and separate interim financial statements prepared as at, and for the year ended, 31 December 2024.

(d) Functional currencies

The consolidated and separate interim financial statements are presented in Omani Rials (RO) which is the functional and reporting currency for the Group and the Parent Company.

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3 Changes in accounting policies

The following new standards, amendment to existing standards or interpretations to various IFRS Accounting

Standards are mandatorily effective for the reporting period beginning on or after 1 January 2024:

Standard or Interpretation	Title
Amendments to IAS 7	Statement of Cashflows: Supplier Finance Arrangements
Amendments to IFRS 7	Financial Instruments Disclosures: Supplier Finance Arrangements
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 21	The Effect of changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments.

The Group and the Parent Company carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the consolidated and separate interim financial statements, regardless of the transition relief provided.

IFRS 16: Lease Liability in a Sale and Leaseback

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated and separate interim financial statements of the Group and the Parent Company.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The effect of Amendments to IAS 21 has no material as the Currencies dealt with by the Company are exchangeable at this point in time.

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3 Changes in accounting policies (continued)

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1) (continued)

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the consolidated and separate interim financial statements of the Group and the Parent Company.

Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by IASB that are effective in future accounting periods and the Group and the Parent Company has decided not to adopt early:

Standard or		Effective for annual periods beginning on or
Interpretation	Title	after
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

The Group and the Parent Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the consolidated and separate interim financial statements of the Group and the Parent Company.

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4 Material accounting policy information

Material accounting policy information adopted in the preparation of these consolidated and separate interim financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of consolidation

The consolidated and separate interim financial statements incorporate the interim financial statements of the Parent Company and its subsidiary up to the reporting date. Control is achieved where the Parent Company has the power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns.

Entities are consolidated from the date on which control is transferred to the Parent Company and ceases to be consolidated from the date on which control is transferred out of the Parent Company. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary. The Parent Company applies the acquisition method to account for business combinations in accordance with IFRS 3.

Non-controlling interests are presented in the consolidated statement of financial position within shareholders' equity, separate from the equity attributable to the shareholders. Non-controlling interests are separately disclosed in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Where necessary, adjustments are made to the interim financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company.

All inter-company transactions, balances and gains or losses on transactions between the Parent Company and its subsidiary are eliminated as part of the consolidation process.

b) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Expenditure incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition are also capitalised. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of plant and equipment and can be measured reliably. All other expenditures are recognised in profit or loss as an expense when incurred.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

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4 Material accounting policy information (continued)

b) Plant and equipment (continued)

The cost of plant and equipment is written-down to its residual value in equal installments over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Useful lives
Plant	20
Office equipment	2 - 5
Furniture and fixtures	5
Vehicles	5

The assets' residual values, depreciation methods and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written-down immediately to its recoverable amount.

Repairs and renewals are charged to the profit or loss when the expenditure is incurred.

Gains or losses on disposal of items of plant and equipment are determined as the difference between the sales proceeds and their carrying amounts and are taken into account in determining the operating results for the year.

c) Capital work-in-progress

Capital work-in-progress is stated at cost including capital advances incurred up to the date of the consolidated and separate statement of financial position and is not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

d) Investment in a subsidiary

A subsidiary is an entity in which the Parent Company owns more than one-half of the voting power or exercises significant control. In the Parent Company's interim financial statements, the investment in subsidiary is carried at cost less provision for impairment.

e) Cash and cash equivalents

For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances.

f) Provisions

Provisions are recognised when the Group and the Parent Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Parent Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 Material accounting policy information (continued)

g) Impairment of non-financial assets

The carrying amount of the Group's and the Parent Company's assets or its cash generating unit, other than financial assets, are reviewed at each consolidated and separate statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value-in-use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

h) Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated and separate statement of financial position when there is a legally enforceable right to set-off the recognised amounts and the Group or the Parent Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Employees' benefit liabilities

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in the consolidated and separate statement of profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the consolidated and separate statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage is disclosed as a part of current liabilities.

j) Financial instruments

Financial instruments are recognised when the Group or the Parent Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group or the Parent Company determines the classification of their financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses are either recorded in the Group's or the Parent Company's consolidated or separate statement of profit or loss and other comprehensive income.

4 Material accounting policy information (continued)

j) Financial instruments (continued)

Financial assets (continued)

(ii) Measurement

At initial recognition, the Group and the Parent Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Group and the Parent Company have classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Parent Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Parent Company classify debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

Equity instruments

If the Group and the Parent Company elect to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Group's and the Parent Company's right to receive payment is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gains/(losses) in profit or loss.

Financial assets at fair value through other comprehensive income

Equity instruments are those which are not held for trading or issued as contingent consideration in business combination, and for which the Group and the Parent Company have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss. This election is made on an investment-by-investment basis.

Debt instruments are those where the contractual cash flows are solely principal and interest and the objective of the business model is achieved both by collecting contractual cash flows and selling financial assets.

4 Material accounting policy information (continued)

j) Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss account

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss account.

Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

(iii) De-recognition of financial assets

The Group and the Parent Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Parent Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Parent Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group and the Parent Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group and the Parent Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Impairment of financial assets

The Group and the Parent Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group and the Parent Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Group and the Parent Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or life time ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short-duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Group and the Parent Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on aging of the trade receivables.

The Group and the Parent Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

4 Material accounting policy information (continued)

j) Financial instruments (continued)

Financial assets (continued)

(v) Income recognition

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Group and the Parent Company reduces the carrying amount to their recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

Financial liabilities

The Group and the Parent Company determine the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

(ii) Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The Group and the Parent Company classifies all its financial liabilities subsequently at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to other payables and lease liabilities.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

4 Material accounting policy information (continued)

k) Revenue

Dividend income from equity instruments at fair value through profit or loss and other comprehensive income is recognised in the profit or loss when the Group's and the Parent Company's right to receive payment is established.

Interest income is recognised on a time-proportion basis using the Effective Interest Rate (EIR) method.

Interest on perpetual bonds is recognised on receipt.

Unrealised gains / (losses) in the value of equity instruments at fair value represents the difference between the present market value and the carrying amount of the assets determined on an individual scrip basis using weighted average cost of securities and is taken to the consolidated and separate statement of profit or loss or other comprehensive income.

Realised gains / (losses) on equity instruments at fair value are recognised and taken to profit or loss in the year of disposal of the related securities.

Finance lease income

Where the Parent Company and the Group determine that an agreement with a customer contains a finance lease, lease payments are recognised as finance income using a rate of return to give constant periodic rate of return on the investment in each year. Finance income on finance lease receivables is included in revenue due to its operating nature. Interest income including interest on finance lease receivable is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

l) Other income

Other income is accounted for on the accruals basis, unless collectability is in doubt.

m) Directors' remuneration

The Parent Company follows the Commercial Companies Law and Regulations of the Sultanate of Oman, and other latest relevant directives issued by the FSA, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to profit or loss in the year to which they relate. This year Directors' remuneration of RO 21.000 was approved in the AGM held in March 2025 and accordingly charged in the current year.

n) Dividend

The Board of Directors recommends to the shareholders the dividend to be paid out of the Group's net profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman while recommending the dividend.

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Parent Company's shareholders.

o) Leases - the Group and the Parent Company as a lessee

The Group and the Parent Company assess whether a contract is or contains a lease, at the inception of the contract. The Group and the Parent Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the the Group and the Parent Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

4 Material accounting policy information (continued)

p) Leases - the Group and the Parent Company as a lessor

As a lessor, the Group and the Parent Company classify their leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

q) Earnings per share

The Parent Company presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

r) Net assets per share

The Parent Company presents net assets per share for its ordinary shareholders. Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders by the weighted average number of shares outstanding as at the consolidated and separate statement of financial position date.

s) Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the period-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

t) Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Current tax is recognised in the profit or loss and as the expected tax payable on the net taxable income for the period, using tax-rates enacted or substantively enacted at the consolidated and separate statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the consolidated and separate statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

u) Determination of fair values

A number of accounting policies and disclosures of the Group and the Parent Company require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5 Critical accounting estimates and key source of estimation uncertainty

Preparation of consolidated and separate interim financial statements in accordance with IFRS Accounting Standards requires the Group's and the Parent Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and separate interim financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates. The most significant areas requiring the use of management estimates and assumptions in these consolidated and separate interim financial statements relate to:

(i) Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b) timing and quantum of future capital expenditure;
- c) long-term growth rates; and
- d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's and the Parent Company's impairment evaluation and hence results.

ii) Economic useful lives of plant and equipment

The Group's and the Parent Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of plant and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group and the Parent Company.

iii) Impairment of equity investments

The Group and the Parent Company follow the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group and the Parent Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

iv) Impairment losses on other receivables

An estimate of the collectible amount of other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance for ECL applied according to the length of time and historical recovery rates.

5 Critical accounting estimates and key source of estimation uncertainty (continued)

v) Going concern

The management of the Group and the Parent Company reviews the consolidated and separate financial position of the Group and the Parent Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due.

vi) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

vii) Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Group and the Parent Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group and the Parent Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

viii) Fair value measurements

A number of assets and liabilities included in the Group's and the Parent Company's consolidated and separate interim financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's and the Parent Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

ix) Classification of investments

In the process of applying the Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through profit or loss, debt instrument at amortised cost or financial assets at fair value through other comprehensive income. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

x) Significant judgment in determining the term of lease contracts

The Group and the Parent Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group and the Parent Company have an option, under some of its leases to lease the assets for additional terms. The Group and the Parent Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew; that is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Parent Company reassesses the lease-term if there is a significant event or change in the circumstances that is within its control and effects its ability to exercise (or not exercise) the option to renew or to terminate (e.g., a change in business strategy, construction of significant leasehold improvements or significant customisation to the leased assets).

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Notes to the consolidated and separate interim financial statements for the six-month period ended 30 June 2025

(Expressed in Omani Rial)

6 Plant and equipment

(a) The movement in plant and equipment is as set out below:

Group

2025 (un-audited)	Vehicles	Plant	Office equipment	Furniture and fixtures	Total
Cost					
At 1 January 2025	-	308,464	46,849	57,067	412,380
Additions during the period	5,352	14,700	-	-	20,052
Disposals during the period	-	-	-	-	-
At 30 June 2025	5,352	323,164	46,849	57,067	432,432
Accumulated depreciation					
At 1 January 2025	-	53,362	45,830	56,976	156,168
Charge for the period	120	7,556	356	17	8,049
At 30 June 2025	120	60,918	46,186	56,993	164,217
Net book amount					
At 30 June 2025	5,232	262,246	663	74	268,215
2024	Vehicles	Plant	Office equipment	Furniture and fixtures	Total
Cost					
At 1 January 2024	-	308,464	45,414	57,067	410,945
Additions during the period	-	-	1,435	-	1,435
At 30 June 2024	-	308,464	46,849	57,067	412,380
Accumulated depreciation					
At 1 January 2024		38,850	43,734	56,927	139,511
Charge for the period		7,256	1,698	25	8,979
At 30 June 2024		46,106	45,432	56,952	148,490
Net book amount					
At 30 June 2024		262,358	1,417	115	263,890
For the year ended 2024 (audited)		Plant	Office equipment	Furniture and fixtures	Total
Cost					
At 1 January 2024					
Additions during the year		308,464	45,414	57,067	410,945
Disposals during the year		-	1,435	-	1,435
At 31 December 2024		-	-	-	-
		308,464	46,849	57,067	412,380
Accumulated depreciation					
At 1 January 2024		38,850	43,734	56,927	139,511
Charge for the year		14,512	2,096	50	16,658
At 31 December 2024		53,362	45,830	56,977	156,169
Net book amount					
At 31 December 2024		255,102	1,019	90	256,211

A'Sharqiya Investment Holding Company SAOG and its subsidiary

Notes to the consolidated and separate interim financial statements for the six-month period ended 30 June 2025

(Expressed in Omani Rial)

6 Plant and equipment (continued)

(a) The movement in plant and equipment is as set out below:

Parent Company

	Furniture and fixtures	Office equipment	Total
30.06.2025			
Cost			
At 1 January 2025	55,695	45,378	101,073
Additions during the period	-	-	-
At 30 June 2025	55,695	45,378	101,073
Accumulated depreciation			
At 1 January 2025	55,606	44,360	99,966
Charge for the period	17	356	373
At 30 June 2025	55,623	44,716	100,339
Net book amount			
At 30 June 2025	72	662	734
30. 06.2024			
Cost			
At 1 January 2024	55,695	43,943	99,638
Additions during the period	-	1,435	1,435
At 30 June 2024	55,695	45,378	101,073
Accumulated depreciation			
At 1 January 2024	55,556	42,264	97,820
Charge for the period	25	1,698	1,723
At 30 June 2024	55,581	43,962	99,543
Net book amount			
At 30 June 2024	114	1,416	1,530
Year ended 31.12.2024 (audited)			
Cost			
At 1 January 2024			
Additions during the year	55,695	43,943	99,638
Disposals during the year	-	1,435	1,435
At 31 December 2024	-	-	-
	55,695	45,378	101,073
Accumulated depreciation			
At 1 January 2024	55,556	42,264	97,820
Charge for the year	50	2,096	2,146
At 31 December 2023	55,606	44,360	99,966
Net book amount			
At 31 December 2023	89	1,018	1,107

A'Sharqiya Investment Holding Company SAOG and its subsidiary
Notes to the consolidated and separate interim financial statements for the six-month period ended 30 June 2025
(Expressed in Omani Rial)

7 Lease receivables

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2023 (Audited)
Gross investment in leases	6,581,687	7,177,901	6,657,213	-	-	-
Less: unearned finance income	(3,049,002)	(3,299,317)	(3,138,286)	-	-	-
Present value of minimum lease receivables	3,532,685	3,878,584	3,518,927	-	-	-

Minimum lease receivables (undiscounted) comprise of the following:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Less than 1 year	192,625	642,557	212,407	-	-	-
More than 1 year but less than 5 years	893,105	707,862	876,847	-	-	-
More than 5 years	5,495,957	5,827,482	5,567,959	-	-	-
	6,581,687	7,177,901	6,657,213	-	-	-

Present value of minimum lease receivables comprises of the following:

	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Less than 1 year	35,950	480,281	29,890	-	-	-
More than 1 year but less than 5 years	195,685	136,184	166,547	-	-	-
More than 5 years	3,370,550	3,331,619	3,391,990	-	-	-
	3,602,185	3,948,084	3,588,427	-	-	-

Unguaranteed residual value

	69,500	69,500	69,500
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The unguaranteed residual value of the project is based on a valuation study performed by an independent valuer.

The housing complex was constructed on land leased from Public Establishment for Industrial Estates (PEIE) to the company on an usufruct basis right for a period of fifty years. The Housing Complex was leased to ONLG for the period of 23 years, now extended for a further period of 5 years until 31 December 2029. The Group has recorded finance lease receivable and finance lease payable for the same land.

The movement in unearned finance income on lease receivables during the period/year is as follows:

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2023 (Audited)
Opening balance	3,138,286	3,456,856	3,456,856	-	-	-
Recognised during the period / year	(89,284)	(157,539)	(318,570)	-	-	-
Closing balance	3,049,002	3,299,317	3,138,286	-	-	-

8 Investments at fair value through other comprehensive income

(i) Equity investments

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Opening balance	8,050,105	7,798,096	7,798,096	8,050,105	7,798,096	7,798,096
Additions during the period/year	-	-	290,346	-	-	290,346
Disposals during the period/year	-	(1,375)	(293,394)	-	(1,375)	(293,394)
Adjustments between Fair value reserve and capital loss	(2,559)	-	(1,503)	(2,559)	-	(1,503)
Unrealised fair value gain/(loss) for the period / year	318,926	452,400	256,560	318,926	452,400	256,560
Closing balance	8,366,472	8,249,121	8,050,105	8,366,472	8,249,121	8,050,105

(ii) Bond investments

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Banking and investments	150,000	150,000	150,000	150,000	150,000	150,000
	150,000	150,000	150,000	150,000	150,000	150,000

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(Expressed in Omani Rial)

8 Investments at fair value through other comprehensive income (continued)

Investments at FVOCI are further analysed as follows:

(iii) Equity investments	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Local quoted:						
Banking and investments	581,290	1,049,179	653,170	581,290	1,049,179	653,170
Industrial	2,080,602	2,159,625	1,628,782	2,080,602	2,159,625	1,628,782
Services	2,210,509	2,191,503	2,220,188	2,210,509	2,191,503	2,220,188
Financial services	63,817	78,573	71,430	63,817	78,573	71,430
Overseas:						
Education	425,172	486,926	468,099	425,172	486,926	468,099
Banking and investments	54,705	61,067	58,059	54,705	61,067	58,059
Local unquoted:						
Education	2,950,377	2,222,248	2,950,377	2,950,377	2,222,248	2,950,377
At 30 June/ 31 December	8,366,472	8,249,121	8,050,105	8,366,472	8,249,121	8,050,105
(iv) Bond investments						
	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Local quoted:						
Banking and investments	150,000	150,000	150,000	150,000	150,000	150,000
	150,000	150,000	150,000	150,000	150,000	150,000

At the end of the reporting period, details of the Group's investments in which the market value exceeds 10% of the market value of its total investments in FVOCI portfolio are as follows:

(v) Equity investments	30 June 2025			30 June 2024		
	% of investment portfolio	Number of shares	Fair value	% of investment portfolio	Number of shares	Fair value
Al Anwar Ceramic Tiles Company SAOG	10.77%	4,950,384	900,970	11.46%	4,950,384	945,523
Oman National Engineering & Investment Co. SAOG	24.24%	17,184,386	2,027,758	23.96%	17,184,386	1,976,204
National Gas SAOG	11.24%	10,937,856	940,656	14.72%	10,937,856	1,214,102
Al Jazeera Services Co. SAOG	11.78%	3,125,214	581,290	12.72%	4,464,593	1,049,179
Year Ended 31 December 2024				% of investment portfolio	Number of shares	Fair value
Oman National Engineering & Investment Co. SAOG				25.19%	17,184,386	2,027,758
National Gas SAOG				10.60%	10,937,856	853,153

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8 Investments at fair value through other comprehensive income (continued)

(vi) Investments at FVOCI are denominated in the following currencies:

Equity and bond investments	Bond investments			Equity investments		
	Group and Parent Company			Group and Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
Omani Rial	150,000	150,000	150,000	7,886,595	7,701,128	7,523,947
Kuwaiti Dinar	-	-	-	425,172	486,926	468,099
US Dollar	-	-	-	54,705	61,067	58,059
	150,000	150,000	150,000	8,366,472	8,249,121	8,050,105

(vii) Details of the Group's investment in securities where market value of its holding equals to or exceeds 5% of the investee's share capital as at 30 June 2025, 30 June 2024 and 31 December 2024 are set out below:

Equity investments	30 June 2025			30 June 2024		
	shareholding	% Number of shares	Fair value	shareholding	% Number of shares	Fair value
FVOCI investments - quoted:						
Al Anwar Ceramic Tiles Company SAOG						
National Gas SAOG	12.87	10,937,856	940,656	12.87	10,937,856	1,214,102
Oman National Engineering & Investment Co. SAOG	11.46	17,184,386	2,027,758	11.46	17,184,386	1,976,204
Al-Jazeera Services SAOG	7.29	3,125,214	581,290	7.29	4,464,593	1,049,179
FVOCI investments - unquoted:						
A'Sharqiyah University SAOC	10	600,000	2,950,377	10	600,000	2,222,248
31 December 2024						
FVOCI investments - quoted:						
Al Anwar Ceramic Tiles Company SAOG				6.52	4,950,384	524,741
National Gas SAOG				10.60	10,937,856	853,153
Oman National Engineering & Investment Co. SAOG				25.19	17,184,386	2,027,758
Al-Jazeera Services SAOG				7.29	3,125,214	653,170
FVOCI investments - unquoted:						
A'Sharqiyah University SAOC				10	600,000	2,950,377

Investments in unquoted securities are valued at their fair values as at 31 December 2024.

9 Investments at FVTPL / at amortised cost

(i) **Equity investments at FVTPL**

(a) The movement in investments at fair value through profit or loss during the period/year was as follows:

	Group			Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
At 1 January	557,564	416,074	416,074	557,564	416,074	416,074
Additions during the period/year	47,844	477,305	529,927	47,844	477,305	529,927
Disposals during the period/year	-	(227,735)	(362,410)	-	(227,735)	(362,410)
Unrealised fair value gains/ (losses) for the period/year	(18,637)	(38,488)	(26,027)	(18,637)	(38,488)	(26,027)
Closing balance	586,771	627,156	557,564	586,771	627,156	557,564
Realised gains on sale of investments	-	14,713	44,938	-	14,713	44,938

(ii) **Bond investments at amortised cost**

	Group			Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
At 1 January	3,200,342	2,295,028	2,295,028	3,200,342	2,295,028	2,295,028
Additions during the period/year	-	903,230	903,230	-	903,230	903,230
Amortized during the period/year	912	960	2,084	912	960	2,084
At 31 December	3,201,254	3,199,218	3,200,342	3,201,254	3,199,218	3,200,342

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10 Fair value reserve	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
At 1 January	835,653	608,092	608,092	835,653	608,092	608,092
Fair value reserve reversal upon disposal	1,348	7,036	(12,603)	1,348	7,036	(12,603)
Net unrealised gains/(losses) on revaluation	318,926	452,400	256,560	318,926	452,400	256,560
Deferred tax on FVOCI Investments	-	-	(16,396)	-	-	(16,396)
At 30 June / 31 December	1,155,927	1,067,528	835,653	1,155,927	1,067,528	835,653

11 Lease liabilities	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Land						
At 1 January	3,518,927	3,535,193	3,535,193	-	-	-
Add: interest expense (Note 26)	89,284	90,539	184,570	-	-	-
Less: lease payments	(75,526)	(200,836)	(200,836)	-	-	-
At 30 June / 31 December	3,532,685	3,424,896	3,518,927	-	-	-
Current portion	35,950	29,093	29,890	-	-	-
Non-current portion	3,496,735	3,395,803	3,489,037	-	-	-
At 30 June / 31 December	3,532,685	3,424,896	3,518,927	-	-	-

In the year 2000, the Group acquired a land from the Public Establishment for Industrial Estate (PEIE) for a period of 50 years, on lease. The land alongwith the superstructure was leased to OLNG for a period of 23 years, now extended for a period of 5 years upto 31.12.2029 . The Group has recorded a finance lease receivable and lease liability for the same.

12 Investment in a subsidiary

During the year 1999, the Parent Company invested an amount of RO 250,000 in Qalhat Real Estate Investments & Services SPC (QREIS), acquiring 100% shareholding interest. The subsidiary was incorporated in September 1999.

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Carrying value of investment in the subsidiary	-	-	-	250,000	250,000	250,000

The investment in the subsidiary is stated at cost less impairment. The Parent Company has performed an impairment testing of its investment in the subsidiary and, has concluded that, no provision is considered necessary. This is primarily based on cash flow forecasts prepared by the management which indicates that the subsidiary is expected to continue to report profits in the foreseeable future.

13 Other receivables

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Pre-paid expenses	15,408	14,239	11,591	14,308	10,447	9,536
Advances	11,310	16,618	17,308	11,310	7,830	17,298
Value-Added-Tax refund recoverable (net)	5,275	19,064	238	4,234	19,064	238
Other receivables	141,016	116,826	287,637	129,754	75,960	204,142
	173,009	166,747	316,774	159,606	113,301	231,214

Other receivables are generally on 30 to 60 days credit terms.

The carrying values of other receivables classified at amortised cost approximate their fair values.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

A'Sharqiya Investment Holding Company SAOG and its subsidiary
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14 Cash and cash equivalents

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Call deposit accounts	720,585	210,834	565,843	322,636	124,596	536,997
Cash at bank	62,791	44,736	64,581	57,153	44,268	47,739
Cash on hand	868	1,351	1,110	368	409	716
	784,244	256,921	631,534	380,157	169,273	585,452

For the consolidated and separate statement of cash flows, cash and cash equivalents comprise the above figures.

The current account balances with banks are non-interest bearing. The call account balances with banks earn annual interest rates ranging between 3.50% and 4.70% per annum (31 December 2023: between 2.50% and 4.50% per annum).

ECL allowance on cash at bank is immaterial to the Group's and the Parent Company's consolidated and separate interim financial statements and is, therefore, not recognised for the period ended 30 June 2024.

15 Share capital

The authorised share capital of the Parent Company, as registered with the Ministry of Commerce, Industry and Investment Promotion, is RO 12,000,000 (31 December 2023: RO 12,000,000), comprising of 120,000,000 shares of RO 0.100 per share (31 December 2023: 120,000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 90,000,000 (31 December 2023: 90,000,000) ordinary shares of RO 0.100 per share (31 December 2023: RO 0.100 per share).

	Authorised			Issued and fully paid-up		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Share capital	12,000,000	12,000,000	12,000,000	9,000,000	9,000,000	9,000,000

Shareholders who own 10% or more of the Parent Company's share capital and the number of shares they hold are as follows:

	30 June 2025		30 June 2024 (Un-audited)		31 December 2024 (Audited)	
Name of the shareholder	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares
Salim Said Hamad Fannah Al Araiimi, Omani	22.63%	20,365,595	22.63%	20,365,595	22.63%	20,365,595
Al Siraj Investment and Projects Co. LLC	11.29%	10,161,093	11.29%	10,161,093	11.29%	10,161,093
	33.92%	30,526,688	33.92%	30,526,688	33.92%	30,526,688

16 Legal reserve

In accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, an amount equivalent to 10% of the Group's and Parent Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the issued and fully paid-up share capital is set aside. During the period ended 30 June 2025, the Group has transferred an amount of RO 21,949 (30 June 2024: RO 25,251 and 31 December 2024: RO 135,262) to the legal reserve. The Parent Company has transferred an amount of RO 21,949 (30 June 2024 : RO 25,251 and 31 December 2024 RO 135,262) to the legal reserve.

17 Dividend

Dividend is not accounted for until it has been approved at the Shareholders' Annual General Meeting (AGM). At the Board of Directors meeting held on 25 February 2025, a cash dividend of 5 baiza per share, amounting to RO 450,000 was recommended for shareholders' approval at the AGM. The proposed dividend which was approved in the AGM held on 24 March 2025 was paid in March 2025.

18 Employees' benefit liabilities

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
At 1 January	196,894	191,365	191,365	157,801	155,279	155,279
Charge for the period/year	13,081	13,311	20,638	9,689	11,267	17,631
Less: Payments during the period/year	(11,009)	-	(15,109)	-	-	(15,109)
At 30 June/31 December	198,966	204,676	196,894	167,490	166,546	157,801

19 Other payables	Group			Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
Accruals and other payables	40,403	62,543	57,670	35,958	31,628	39,412
	40,403	62,543	57,670	35,958	31,628	39,412
20 Term deposits	Group			Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
Short-term deposits	1,900,000	1,850,000	1,950,000	-	-	-
21 Related party transactions and balances	Group			Parent Company		
	30 June 2025	30 June 2024	31 December 2024	30 June 2025	30 June 2024	31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
a) Subsidiary						
Dividend income from a Subsidiary	-	-	-	-	-	900,000
Management charges from a subsidiary (Note 23)	-	-	-	30,000	30,000	60,000
(b) Compensation of key management personnel						
Basic salaries, allowance & other benefits	99,439	112,960	265,147	99,439	112,960	265,147
Directors' Remuneration (Note 25)	21,000	-	-	21,000	-	-
Directors' sitting fees (Note 25)	18,800	15,100	34,400	18,800	15,100	34,400
(c) Due to a subsidiary						
Qalhat Real Estate Investments & Services SPC	-	-	-	-	499,947	-
22 Income	Group			Parent Company		
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	
	(Un-audited)	(Un-audited)		(Un-audited)	(Un-audited)	
a) Net investment income						
Dividend income	372,322	358,388		372,322	358,388	
Interest income from bonds	99,012	102,415		99,012	102,415	
Interest income from deposits	52,430	49,381		7,528	7,694	
Unrealised fair value gains /(losses) on investments at FVTPL	(18,637)	(38,488)		(18,637)	(38,488)	
Realised gains on disposal of investments at FVTPL	-	14,713		-	14,713	
Lease rental income	241,232	-		-	-	
	746,359	486,409		460,225	444,722	
b) Finance income on lease receivables						
Finance income	174,432	157,539		-	-	
	920,791	643,948		460,225	444,722	
23 Other income	Group			Parent Company		
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	
	(Un-audited)	(Un-audited)		(Un-audited)	(Un-audited)	
Maintenance services income (Net)	-	23,148		-	-	
Qalhat - Management charges income (Note 21)	-	-		30,000	30,000	
Miscellaneous income	1,960	25,809		1,960	25,809	
	1,960	48,957		31,960	55,809	
24 Salaries and other related staff costs	Group			Parent Company		
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	
	(Un-audited)	(Un-audited)		(Un-audited)	(Un-audited)	
Salaries and allowances	133,079	132,320		121,247	132,320	
Other related staff costs	41,771	23,619		37,913	23,619	
	174,850	155,939		159,160	155,939	

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25 General and administrative expenses	Group		Parent Company			
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)		
Directors' sitting fees (Note 21)	18,800	15,100	18,800	15,100		
Directors' Remuneration (Note 21)	21,000	-	21,000	-		
Legal and professional fees	20,550	4,700	7,650	4,200		
Short-term lease rentals	8,940	8,100	7,500	8,100		
Fees and other charges	13,161	14,290	12,969	13,237		
Insurance expenses	7,696	5,926	6,291	5,926		
Repairs and maintenance	2,224	1,079	2,143	1,079		
Water and electricity	976	952	976	952		
Advertising	360	-	360	-		
Telephone and postage	996	744	732	744		
Miscellaneous expenses	10,199	11,808	8,921	11,720		
	<u>104,902</u>	<u>62,699</u>	<u>87,342</u>	<u>61,058</u>		
26 Finance costs on lease liabilities	Group		Parent Company			
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)		
Finance costs (Note 11)	<u>89,284</u>	<u>90,539</u>	<u>-</u>	<u>-</u>		
27 Taxation	Group		Parent Company			
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)		
(a) The Parent Company has calculated income tax at an effective tax rate of 15% for the period ended 30 June 2025 (30 June 2024 : 15% and 31 December 2024: 15%). The reconciliation of tax based on the accounting profit and tax profit of the Group and the Parent Company is as follows:						
(b) Current tax						
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Year ended 31 December 2024	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Year ended 31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
Net profit before tax for the period	539,245	368,989	1,600,772	239,039	276,162	1,397,100
Tax expense at Oman tax rate	-	-	-	-	-	-
Accounting depreciation	8,049	8,979	2,146	373	1,723	2,146
Disallowed expenses	129,882	122,859	312,779	129,882	122,859	312,779
Realised gain/(loss) adjusted in retained earnings	1,250	-	(7,944)	1,250	-	(7,944)
Unrealised loss /(gain) on investment at FVTPL	18,637	38,487	26,027	18,637	38,487	26,027
Interest and finance expenses	3,961	3,576	6,918	3,961	3,576	6,918
	<u>701,024</u>	<u>542,891</u>	<u>1,940,698</u>	<u>393,142</u>	<u>442,808</u>	<u>1,737,026</u>
Less:						
Tax depreciation	(8,049)	(8,979)	(2,146)	(373)	(1,723)	(2,146)
Dividend income on listed shares (non-taxable)	(259,331)	(283,389)	(1,438,336)	(259,331)	(283,389)	(1,438,336)
Realised losses debited to retained earnings	(3,127)	-	-	(3,127)	-	-
Taxable profit	<u>430,517</u>	<u>250,523</u>	<u>500,216</u>	<u>130,311</u>	<u>157,696</u>	<u>296,544</u>
Tax rate	15%	15%	15%	15%	15%	15%
Total tax charge for the period	<u>64,578</u>	<u>37,578</u>	<u>75,033</u>	<u>19,547</u>	<u>23,654</u>	<u>44,482</u>
(c) Tax assessments up to the year 2020 have been completed and agreed with the Oman Tax Authority for both the Parent Company and the subsidiary. The management believes that additional taxes, if any, for open tax years would not be material to the consolidated and separate financial position of the Group and the Parent Company at the reporting date.						
27 Taxation (continued)	Group		Parent Company			
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Year ended 31 December 2024	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	Year ended 31 December 2024
	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Audited)
Consolidated and separate statement of profit or loss and other comprehensive income						
Current tax:						
Tax charge for the year	64,578	37,578	75,033	19,547	23,654	44,482
Tax charge for the previous years	2,447	2,447	2,447	2,447	2,447	2,447
Total tax charge for the year	<u>67,025</u>	<u>40,025</u>	<u>77,480</u>	<u>21,994</u>	<u>26,101</u>	<u>46,929</u>
Consolidated and separate statement of financial position						
	Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024		Period from 1 January 2025 to 30 June 2025	Period from 1 January 2024 to 30 June 2024	
	(Un-audited)	(Un-audited)		(Un-audited)	(Un-audited)	
Non-current assets						
Deferred tax	23,067	23,067		23,067	39,463	

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Current liabilities

Opening balance	-	-	-	-
Provision for the period	67,025	77,480	21,994	26,101
Current period tax payable	67,025	77,480	21,994	26,101

(b) Deferred tax asset

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Un-audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Un-audited)
At 1 January and at 30 June / 31 December	23,067	39,463	23,067	23,067	39,463	39,463

Deferred tax asset has not been recognised for the period as not material.

28 Basic/diluted earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit after tax attributable to equity shareholders of the Parent Company by the weighted average number of ordinary shares outstanding as at 30 June /31 December.

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Net profit after tax for the period / year	474,667	331,411	625,739	219,492	252,508	1,352,618
Weighted average number of shares	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Earnings per share attributable to shareholders of the Parent Company	0.005	0.004	0.007	0.002	0.003	0.015

As there are no dilutive potential shares issued by the Parent Company, the diluted earnings per share is the same as the basic earnings per share.

29 Net assets per share

The calculation of net assets per share is based on dividing the net assets attributable to equity shareholders of the Parent Company by the number of shares outstanding as at 30 June/31 December.

	Group			Parent Company		
	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)	31 December 2024 (Audited)
Net assets	15,216,138	14,948,960	14,873,053	12,892,619	12,074,840	12,804,709
Weighted average number of shares outstanding	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Net assets per share	0.169	0.166	0.165	0.143	0.134	0.142

30 Capital risk management

The capital is managed by the Group and the Parent Company in a way that it is able to continue to operate as a going concern while maximising returns to the shareholders.

The capital of the Parent Company consists of share capital, reserves and retained earnings. The Parent Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

31 Financial assets and liabilities and risk management

(a) Financial assets and liabilities

Financial assets and liabilities carried on the consolidated and separate statement of financial position include cash and bank balances, investments in equity instruments at FVOCI, investments in equity instruments at FVTPL, investments in debt instruments at FVOCI, investments in debt instruments at FVTPL, other receivables, lease receivables, lease liabilities and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Financial risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Board of Directors. The Parent Company provides principles for overall risk management, as well as policies covering specific areas.

(c) Capital management

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Parent Company manages their capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the period ended 30 June 2025, 30 June 2024 and the year ended 31 December 2024.

32 Financial risk management

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group and the Parent Company are exposed to foreign exchange risk arising from various currency exposures. Significant portion of revenues and major operating costs are either denominated in RO or USD. As the USD is pegged against the RO, the management does not believe that the Group and the Parent Company are exposed to any material foreign exchange risk.

Management considers that sensitivity analysis is not necessary due to the Group's and the Parent Company's limited exposure to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Group and the Parent Company are exposed to interest rate risk as the Group and the Parent Company have interest-earning call deposits at commercial interest rates.

(iii) Price risk

The Parent Company is exposed to price risk because of investments held by the Parent Company which are classified as fair value through other comprehensive income. All investment securities present a risk of loss of capital. The Parent Company controls this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the carrying amount of the financial instruments.

(b) Credit risk

Credit risk on trade receivables is limited to their carrying values as management regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt. Credit risk is managed mainly through credit terms to customers backed by confirmed letters of credit. There is no concentration of credit risk with respect to trade receivables as the Group and the Parent Company have a large number of customers, both locally and internationally.

The Group and the Parent Company allocate each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited interim financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating.

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(b) Credit risk (continued)

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's and the Parent Company's view of economic conditions over the expected lives of the receivables.

Since, as for each potential customer there is no independent rating, the Group's credit committee assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors.

The Group and the Parent Company did not identify any material impairment loss on other financial assets as at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's and the Parent Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet any future commitments. The Group and the Parent Company manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

The liquidity risk profile of the Group is as follows:

Liabilities as at	June 30, 2025			June 30, 2024		
	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year
Other payables	40,403	40,403	-	62,543	62,543	-
Lease liabilities	3,532,685	35,950	3,496,735	3,424,896	29,093	3,395,803
	<u>3,573,088</u>	<u>76,353</u>	<u>3,496,735</u>	<u>3,487,439</u>	<u>91,636</u>	<u>3,395,803</u>
Liabilities as at 31 December 2024						
				Total	Less than 1 year	More than 1 year
Other payables				57,670	57,670	-
Lease liabilities				3,518,927	29,890	3,489,037
				<u>3,576,597</u>	<u>87,560</u>	<u>3,489,037</u>

The liquidity risk profile of the Parent Company is as follows:

Liabilities as at	June 30, 2025			June 30, 2024		
	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year
Other payables	35,958	35,958	-	31,628	31,628	-
	<u>35,958</u>	<u>35,958</u>	<u>-</u>	<u>31,628</u>	<u>31,628</u>	<u>-</u>
Liabilities as at 31 December 2024						
				Total	Less than 1 year	More than 1 year
Other payables				39,412	39,412	-
				<u>39,412</u>	<u>39,412</u>	<u>-</u>

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(d) Fair value estimation

For financial instruments that are measured in the statement of financial position at fair value, the Company is required to disclose the fair value measurement by level of the following fair value hierarchy:

- Level 1 – Quoted (unadjusted) market prices in active markets.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation of each publicly traded investment is based upon the closing market price of that investment as of the valuation date, less a discount if the security is restricted.

Details of financial instruments carried at fair value are as below:

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 June 2025				
Investments in equity instruments at FVOCI (Note 8)	8,366,472	5,416,095	-	2,950,377
Investments in debt instruments at FVOCI (Note 8)	150,000	-	150,000	-
Investments in equity instruments at FVTPL - (Note 9)	586,771	586,771	-	-

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 June 2024				
Investments in equity instruments at FVOCI (Note 8)	8,249,121	6,026,873	-	2,222,248
Investments in debt instruments at FVOCI (Note 8)	150,000	-	150,000	-
Investments in equity instruments at FVTPL - (Note 9)	627,156	627,156	-	-

Details of financial instruments carried at fair value are as below:

Nature of the financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 31 December 2024				
Investments in equity instruments at FVOCI (Note 8)	8,050,105	5,099,728	-	2,950,377
Investments in debt instruments at FVOCI (Note 8)	150,000	-	150,000	-
Investments in equity instruments at FVTPL - (Note 9)	557,564	557,564	-	-

33 Commitments

Investment commitments

At 30 June 2025, the Group has investment commitments amounting to RO 47,612 (30 June 2024 : RO 53,739 and 31 December 2024: 60,767).

34 Comparative figures

Certain comparative figures of the previous period have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year's consolidated and separate interim financial statements. Such regrouping or reclassification did not affect previously reported consolidated and separate net profit or consolidated and separate shareholders' equity.

35 Subsequent events

There were no events occurring subsequent to 30 June 2025 and before the date of the approval that are expected to have a significant impact on these consolidated and separate interim financial statements.