

DIRECTORS’ REPORT

FOR THE FIRST QUARTER ENDED 31ST MARCH 2026

Dear Shareholders,

The company has recorded total revenue of RO 2.494 Million (31st March 2025: RO 2.371 Million) and net profit after tax of RO 0.442 Million (31st March 2025: net profit after tax RO 0.477 Million) for the first quarter ended 31st March 2026.

During the period under review the total revenue increased by 5.19% and net profit after tax decreased by 7.2% as compared to the same period last year. This was mainly due to higher depreciation and finance cost related to the room renovation project carried out in second half of 2025.

The hotel witnessed significant decrease in occupancy, room rates and revenue since Mid-March 2026 due to the escalation of conflict in GCC region. The executive management has implemented a few cost savings initiatives to mitigate the impact on profitability and cash flow.

The conflict in the GCC region has impacted leisure tourism from key source markets like Europe. We believe this could result in lower revenue and profitability of the company for the year 2026. While we hope for an early resolution to the conflict, we believe normal leisure tourism from key European market may resume, not before late 2026.

We express our deep appreciation and gratitude to His Majesty Sultan Haitham Bin Tariq Al Said for His Majesty’s inspiring leadership and wise policies. We pray to the Almighty Allah to bless His Majesty with good health and strength to lead our nation to progress and prosperity. We would also like to thank the Ministry of Heritage and Tourism for implementing right policies to encourage growth in tourism sector in the Sultanate of Oman.

Ali Ahmed Al Najjar

Chairman