

## **Directors' Report**

**Dear Shareholders,**

On behalf of the Board of Directors I am pleased to present the un-audited consolidated results of Al Anwar Holdings SAOG (AAH) for the Three months ended 30 June 2019.

### **Financial Overview of the Group:**

The unaudited consolidated financial statements presented are an outcome of the following:

1. The revenues generated and the costs incurred up to 31 March 2019 by its subsidiaries namely:
  - i. Al Anwar International Investment LLC, 100% subsidiary of AAH, primarily being used as an investment arm.
  - ii. Al Anwar Development LLC, 100% subsidiary of AAH and
  - iii. Al Anwar Hospitality SAOC, 100% subsidiary of AAH,
2. The Share of Profit / (Loss) achieved by Associate Companies up to 31 March 2019 in which AAH owns between 20% and 50% of their share capital or where AAH has significant influence on the Board of Directors of the company,
3. Dividends from investments,
4. Realized gains made from divestments,
5. Realized and un-realized gains / losses from other listed & unlisted securities.

Your company reported a consolidated net profit, after tax, attributable to shareholders of parent company, of OMR 267,213 for three months ended on 30 June 2019 as against reported profit of OMR 135,210 (restated profit of OMR 212,486) for Three months ended on 30 June 2018.

The profit per share was 1 Baisa for the period ending as on 30 June 2019 as against profit per share of 1 Baisa for the period ending as on 30 June 2018.

Net asset per share of the group is 164 Baisa per share as on 30 June 2019 as against 168 Baisa per share as on 30 June 2018.

## **Updates on Investments**

### **1. Al Maha Ceramics SAOG (AMC):**

The Company has reported revenue of OMR 2,058,781 for the first quarter ended on Mar'19, as compared with OMR 1,982,907 for the same period last year, an increase of 3.8%. Despite, tough competitive scenario and increase in cost of utilities, net profit after tax for the period is OMR 320,738 as compared to OMR 302,995 of last year, an increase of 5.9%.

### **2. Voltamp Energy SAOG (VE):**

During first quarter ended on 31<sup>st</sup> March 2019, the Company reported revenues of OMR 10,051,516, a growth of 5.45% compared to last year, which has resulted into better profitability during the period. The Company achieved profit after tax of OMR 129,582 as compared to a loss of OMR 152,478 in last year for the same period.

### **3. Arabia Falcon Insurance Company SAOG (AFIC):**

The Company recorded Gross Written Premium of OMR 5,529,100 during the first quarter ended on March 2019 as compared to OMR 5,905,186 for the last year during the same period, a decline of 6.4% on account of non-renewal of loss-making accounts. The Net Profit after Tax of company for the first quarter of 2019 is OMR 112,302 against OMR 60,514 of last year, a growth of 85.6%, mainly due to strategic initiatives by the company.

### **4. Al Ruwad International for Education Services SAOC:**

During the Academic Year 2018-19, the company reported growth in revenue and profits over the previous year. However, for the purpose of equity accounting, the results for the three months of February 2019 to April 2019 were considered as required

by IFRS. Phase 2 of the expansion project has been completed and is being utilised for the current academic year. With this expansion, the student capacity has increased by about 80%.

#### **5. National Biscuits Industries Ltd. SAOG:**

The Company reported revenues of OMR 10,543,583 and Net Profit of OMR 666,997 for the nine months ended on March 2019 exhibiting a growth of 11.3% and 19% on revenues and PAT respectively over the same period of last year. However, for the purpose of equity accounting, the results for the three months of January 2019 to March 2019 were considered as required by IFRS. The company is investing in brand development of the profitable product portfolio and strengthening its presence in all markets to grow the revenue and profits in the long run.

#### **6. National Detergent Co. SAOG**

The Company reported revenues of OMR 6,417,725 and Net Profit of OMR 331,132 for the first quarter ended on Mar'19 exhibiting a growth of 2.2% on revenue and decline of 28.8% on Net profit over the same period of last year. The drop-in profit is mainly due to increase in Marketing expense to ensure that the Company's flagship brand BAHAR maintains its premier market position in Oman.

#### **7. Oman Chlorine SAOG**

Oman Chlorine reported revenues of OMR 3,359,000 and Net Profit after tax (Attributable to Parent Company Shareholders) of OMR 310,000 for the first quarter ended on March 2019 displaying a growth of 10.5% and 8% on revenues and PAT respectively, over the same period of last year.

Union Chlorine LLC, UAE, a subsidiary, The Phase 2 (Calcium Chloride unit) was completed and the commercial operation commenced from 1st April 2019.

Gulf Chlorine WLL (Qatar) the commercial operation of Qatar plant commenced from 1st March 2019. Further, the Joint Venture project to produce Calcium Chloride is expected to commence the commercial operation in Q3 2019.

### **Outlook:**

AAH has maintained a prudent and pro-active approach towards managing its investments. Business clusters of our Group companies are making efforts to have continued stability in the present challenging economic environment.

In the current capital market, AAH sees opportunity to make further investment and we are exploring opportunities in certain strategic sectors, which will diversify our investment portfolio.

We are confident that AAH and its Group companies will continue to play a pivotal role in Oman's economic growth, create job opportunities for Omani nationals, and attract foreign investments in the Sultanate of Oman.

### **Thanks, and Appreciation:**

On behalf of the Board, I would like to convey our loyalty, gratitude and extreme thanks to His Majesty Sultan Qaboos Bin Said and to His Majesty's Government for incentives and support for all round sustainable development in the Sultanate.

The Board records its sincere appreciation to Ministry of Commerce and Industry, Capital Market Authority, Muscat Securities Market, Oman Chamber of Commerce and Industry, Bankers, Auditors, Customers and Shareholders for their continued support to AAH and the group companies.

I would also like to express my sincere appreciation to the Board of Directors of all Al Anwar Group companies for direction given to the managements of the respective companies. I place on record my sincere thanks and appreciation for the dedicated

efforts of the management team and all employees of the group companies.

I would also like to convey my sincere thanks to the Shareholders of AAH for the confidence they have reposed in the company and in its Board.

For & on behalf of the Board of Directors of

Al Anwar Holdings SAOG

Masoud Humaid Al Harthy

Chairman

August 1, 2019