

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 2018.

Financial Overview of Al Anwar 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 2018 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 2018 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. Realised and un-realised gains / losses from other listed & unlisted securities.

Your company has achieved a consolidated group net profit, after tax, attributable to shareholders of parent company, of OMR 135 thousand for three months ended on 30 June 2018 as against OMR 525 thousand for three months ended on 30 June 2017.

The decline is mainly attributable to the challenging market conditions being faced by our investee companies as discussed in the relevant sections of the report.

The earning per share (EPS) was 1 Baisa for the period ending as on 30 June 2018 as against EPS of 3 Baisa for the period ending as on 30 June 2017.

Net asset per share of the group is 168 Baisa per share as on 30 June 2018 as against 187 Baisa per share as on 30 June 2017.

Updates on Investments

Al Maha Ceramics SAOG (AMC):

The company has achieved a sales revenue of OMR 1.98mn in Q1 of 2018, as compared with OMR 2.46mn achieved in Q1 of 2017, a decline of 20%. This is attributed to competitive pressure and lower demand. Profit after tax for Q1 of 2018 is OMR 0.30mn, as compared with OMR 0.48mn in Q1 of 2017, a decline of 38%.

Voltamp Energy SAOG (VE):

The Company reported revenues of OMR 9.53mn and a Net Loss of OMR 0.152mn on a consolidated basis for Q1 FY2018. VE reported decreased in its revenue of 2% compare with LY and the company's profitability has been impacted due to drop in demand of company's high yielding products.

Arabia Falcon Insurance Company SAOG (AFIC) (Formerly known as Falcon Insurance Co SAOC):

In accordance the requirements of Royal Decree 39/2014 dated 17 August 2014, the Company transformed from a closed joint stock company (SAOC) to a General Omani Joint Stock Company (SAOG) during the 2nd quarter 2018 and the shares were listed in the MSM on 16th May 2018.

A number of initiatives have been planned by the management to expand business operations, improve efficiency in settlement of claims, implementation and upgradation of software.

Oman Chlorine SAOG

Oman Chlorine reported revenues of OMR 3.04mn and PAT of OMR 0.287mn on a consolidated basis for Q1 FY2018 displaying a growth of 60.0% and 6.7% on revenues and PAT respectively over the same period of last year, The Company is exhibiting stable performance for 2018 with higher sales volume and shipment to regional markets by the parent company enabling to offset to a great extent the downward price revision during 2017.

Union Chlorine LLC – UAE commenced the commercial production of the main plant in Sep 2017 the phase 2 of the project, Calcium Chloride unit, is under commissioning and the commercial operations will commence from during Q2 of 2018. Qatar plant is under construction and is projected to commence the commercial operations during Q3 of 2018.

National Detergent Co. SAOG

The Company reported revenues of OMR 6.28mn and PAT of OMR 0.47mn on a consolidated basis for Q1 FY2018 displaying a growth of 3.0% and 44.7% on revenues and PAT respectively over the same period of last year. There was an improvement in the operating profits for the period compared to the last year due to effective Control over direct cost.

Al Ruwad International for Education Services SAOC:

For the three-month period ended on 30th April 2018, the Company reported revenues of OMR 0.85mn and is exhibiting healthy growth in the stood intake. Phase 2 of the expansion project is expected to be available for student intake for the academic year starting Aug. 2018, which will further increase the classrooms and student capacity

Outlook:

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

In the current market, AAH sees opportunity to make further investment and the group is exploring opportunities in the strategic sectors, which will be able to diversify its investment portfolio.

We are confident that AAH will play a pivotal role in Oman's economic growth, create job opportunities for Omani nationals, and attract investments in our country.

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, MSM, Customers, Bankers and Auditors for their continued support to the Company and the Group.

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 holding company and the group companies.

I would also like to convey my sincere thanks to the Shareholders of the Company 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

13.08.2018