

## **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 six months ended 30<sup>th</sup> September, 2015.

### **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 30<sup>th</sup> June, 2015 by its subsidiaries namely:
  - i. Falcon Insurance Company SAOC, 51.04% subsidiary of AAH, engaged in Insurance activities in Oman,
  - ii. Al Anwar International Investment LLC, 100% subsidiary of AAH, primarily being used as an investment arm, and
  - iii. Al Anwar Development LLC, 100% subsidiary of AAH.
2. The Share of Profit / (Loss) achieved by Associate Companies up to 30<sup>th</sup> June, 2015 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 RO 3.466 million for six months ended 30<sup>th</sup> September, 2015 as against RO 2.019 million for six months ended 30<sup>th</sup> September, 2014, a growth of 72% mostly on account of fair value gain on Ominvest investment amounting to RO 2.38 mln.

The earning per share (EPS) was 46 Baisa (annualised) as on 30<sup>th</sup> September, 2015 as against EPS of 27 Baisa (annualised) as on 30<sup>th</sup> September, 2014, adjusted for stock dividend.

Net asset per share of the group is 188 Baisa per share as on 30<sup>th</sup> September, 2015, on the increased capital due to stock dividend, as against 153 Baisa per share as on 30<sup>th</sup> September, 2014, adjusted for stock dividend.

### **Updates on Investments**

- i. **Falcon Insurance Company SAOC:** Falcon reported a marginal growth of 5% in gross premium written and of 2% in underwriting results. At the same time, the investment income reported a growth compared to last year, and as a result net profits were higher by 13% as compared to last year.  
  
As disclosed earlier, the Board of Falcon Insurance Co. SAOC is in the process of evaluating the Initial Public Offering (IPO).
- ii. **Al Maha Ceramics SAOG:** Al Maha has reported a reduction of 11% in the revenue during the year due to the planned shutdown of production during January, 2015. However, it has reported a growth of 26% in the net profit for the same period compared with last year, since a one-time charge was incurred during last year. The company is evaluating the expansion plans as it is currently utilizing its full production capacity.
- iii. **Voltamp Energy SAOG (VE):** VE has reported 51% growth in its revenue and 77% growth in net profit for the period, mainly due to better performance in power transformer division and distribution transformer division.

- iv. **Oman International Development and Investment Co. SAOG (OMINVEST):** As at end of the quarter, AAH held 7.45% stake in OMINVEST. The Board of AAH decided in its meeting on 4<sup>th</sup> May, 2015 to consider the investment as strategic. Consequently, all subsequent acquisitions were classified as "Available for Sale" and any fair value changes in the valuation of such acquisition is recorded as Fair value reserve under "Other Comprehensive Income".

**Outlook:**

The Government of Oman continues its investment in to development projects and infrastructure. Al Anwar has maintained a cautiously optimistic approach with the core focus on financial services and industrials. Business lines of our group companies have exhibited stability and momentum in the present challenging market environment. Going forward, in continuance of prudent policy framework, we shall have balanced approach for the growth strategies accordingly.

**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**

Date: 08/11/2015