

## **Board of Directors Report**

**Dear Shareholders,**

On my behalf and on behalf of the members of the Board of Directors, I am pleased to welcome you to the Annual General Meeting of the company, I present to you the board's report and audited financial statements of the parent company and the group for the year ended December 31, 2021.

### **General Performance for the Parent Company and the Group:**

The year 2021 was a year full of challenges caused by the Corona pandemic and its impact which cast a shadow over all markets and the global economy as a whole as a result of it quicken spread and the emergence of a number of variants. However, with the success and spread of vaccine distribution and the desire of a large number of individuals to vaccinate, the world has begun to witness openness, on easing of precautionary measures, and adaptation to the new reality.

The year 2021 was also a good year for the financial stock exchanges of the Gulf countries, including the Muscat Stock Exchange, where they achieved good returns and a good rise in indices, due to the rise in oil prices, the positive view of the Omani economy on the part of international credit institutions, and the economic reforms program recently implemented by the government

At the company level, the company's performance improved during 2021, as the parent company achieved a net comprehensive profit amounting to OMR 172,718 compared to net comprehensive losses amounting to OMR (657,164) for the year 2020 and the group achieved net comprehensive profit after tax amounting to OMR 214,133 compared to net losses after tax amount to OMR (309,343) for year 2020. The accumulated losses for the parent company amounting to OMR 1,047,630 compared to OMR 1,049,130 for the year 2020 and the company is currently working on developing and diversifying its investments in the local and regional market as well as looking for viable investment opportunities and alternatives to address the accumulated losses.

### **The financial statements for the consolidated and parent Company:**

The summary of the financial statements for the consolidated and parent Company for the year ended 31 December 2021 compared with year 2020 as following:

Details	Group		Parent Company	
	2021 OMR	2020 OMR	2021 OMR	2020 OMR
Income	207,540	191,407	77,949	136,712
General expenses, Staff cost and Finance cost	(215,517)	(329,818)	(118,172)	(128,951)
Amortizations of intangible assets and expenses of subsidy company	0	(196,800)	(14,010)	0
Unrealized gain from revaluation of property investment	11,069	318,000	0	0
Impairment losses from investment in subsidiary	0	0	0	(448,527)
Unrealized fair value Profit/(loss) on financial assets at fair value through profit or loss	41,860	(180,704)	55,900	(165,544)
Net (loss) before income tax	44,952	(197,913)	1,667	(606,310)
Income Tax	(4,252)	(63,658)	0	0
<b>Net (Loss) after tax</b>	<b>40,700</b>	<b>(261,571)</b>	<b>1,667</b>	<b>(606,310)</b>
<b>Other Comprehensive income</b>	<b>173,433</b>	<b>(47,772)</b>	<b>171,051</b>	<b>(50,854)</b>
<b>Total Comprehensive income</b>	<b>214,133</b>	<b>(309,343)</b>	<b>172,718</b>	<b>(657,164)</b>
<b>Total Assets</b>	<b>2,681,415</b>	<b>2,620,316</b>	<b>2,233,939</b>	<b>2,493,322</b>

<b>Shareholders' Equity</b>	<b>2,472,963</b>	2,239,583	<b>2,054,829</b>	1,882,111
<b>Basic loss per share</b>	<b>0.001</b>	(0.008)	<b>0.0001</b>	(0.020)
<b>Net assets per share</b>	<b>0.082</b>	0.075	<b>0.068</b>	0.063

### **Transactions with related parties**

In the normal context of the company's operations, it has been some transactions with related parties during the year 2021 show the details of these transactions in the audited financial statements for the year 2021.

### **Social Responsibility:**

Based on the company's responsibility towards supporting local community services, a number of initiatives that meet the needs of the community have been participated in. During the year, training was carried out in exchange for a reward for a number of job seekers in the parent company and its subsidiary companies in the field of accounting, administration, public relations and Dental assistant for periods of no less than 3 Months, some tenants affected by the pandemic have been exempt from rent for a period of two months.

### **Omanisation:**

The Company will continue to pursue a policy of appointing Omani qualified employers

and trained through appropriate training courses in the Company.

### **Corporate Governance:**

The Board of Directors is committed to the application of the Charter of Corporate Governance issued by the Capital Market Authority and implementation of joint stock companies, taking into account all the provisions and regulations of public shareholding companies and instructions issued by the Capital Market Authority and committed to the utmost standards of transparency in the disclosure of the shareholders, the facility within the company's annual report of the external auditor for the organization and management of the company for the year 2021, as well as self-management discussions and analyzes.

### **Internal Control:**

The Company is committed to applying appropriate to the nature and scale of operations in the company's internal controls, and the company's system of internal and external audit by certified audit office evaluates the internal control systems by raising the periodic reports results of these assessments directly to the Audit Committee, which meets on a regular basis, in addition to the policies The company and its procedures under constant development to further improve the professional performance of the Executive management.

### **Future outlook:**

We are optimistic and look forward to year 2022 to be a better year, for the economies of countries to recovering from the pandemic, and for the rise in oil prices to compensating for losses, enhancing the financial liquidity of the countries in the region, and pump more government spending on major projects that move the economy and create job opportunities, and global and regional developments will remain to affect the company's investment strategy. The company maintains a cautious approach in managing its investments. We always strive to maintain continuity and search for good investment opportunities in various sectors to achieve diversification in its portfolio and improve performance and growth.

At the company level, negotiations are currently underway to complete an investment project in the field of veterinary and agricultural medicines in partnership with one of the other companies specialized in this industry, which is Al-Farabi Company for Veterinary and Agricultural Medicines in Syria, which is expected to conclude soon

**Thanks, and gratitude:**

On behalf of the Board of Directors and the employees of the company, we would like to extend our sincere best wishes to his Majesty Sultan Haitham Bin Tarik and we will continue to effectively participate in the growth of the Sultanate's economy and to dedicated our efforts to the building of a strong nation under his leadership.

I would like to thank the management team for their sincere efforts and effective management. I would also like to convey my sincere thanks to the shareholders of the Company for the trust in the Company and its Board and to the Capital Market Authority, the Muscat Stock Exchange, and all the banks and institutions that the company deals with for their continued support.

Best regards,

**Salah Bin Hilal Al-Mawally**

**Chairman**