Chairman's Report for the Quarter ended September 30, 2021

Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the unaudited consolidated financial statements of A'Sharqiya Investment Holding Company (SAOG) and its subsidiary – Qalhat Real Estate Investments & Services LLC. (QREIS) - for the nine month period ended September 30, 2021.

Overview of Operations and Financial Performance

A summary of the company's operating performance for the nine-month period ended September 30, 2021 in comparison to the corresponding period in 2020 and the full year ended 2020 is presented below:

(RO in '000)

Quarter ended September 30, 2020	Sep 30 2021	Sep 30 2020	% Increase/ (Decrease)	Full Year ended 2019
Total Operating Income	916	1,006	(8.9)	1,165
Profit after Tax (PAT)	465	525	(11.3)	529
Net change in Fair Value of FVOCI	1,853	(112)	1,750	774
Total comprehensive income/(loss)	2,318	412	462.2	1,303
Total Assets	18,892	15,833	19.3	16,812

The company's operations during the nine month period ended September 30, 2021 generated an income of RO 915,993 as compared to RO 1,005,957 during the corresponding period in 2020. Profit before tax decreased by 12.4% at RO 517,501 as against RO 590,841. The profit after tax arising from the company's operations is RO 465,178 as compared to RO 524,611 generated during the comparable period in 2020 - a decrease of 11.3%.

The increase in fair value of the company's investment portfolio under the fair value through other comprehensive income (FVOCI) investments during the period stood at RO 1,852,849 compared to a decrease of RO 112,291 recorded during the comparable period in 2020. The total comprehensive income increased to RO 2,318,027 as compared to RO 412,320 during the comparable period in

2020.

The total assets of the company as at September 30, 2021 is RO 18,892,195 as compared to RO 15,832,802 as at September 30, 2020, reflecting an increase of 19.3%. Net Assets per share is at RO 0.168 on September 30, 2021 as compared to RO 0.134 on September 30, 2020.

Investment and future Outlook

The global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022 as per IMF World Economic Outlook (October 2021).There is a downward revision of 0.1% for 2021 from the July 2021 outlook, which reflects downgrade for advanced economies due to supply disruptions and worsening pandemic dynamics in low income developing countries. The outlook also forecasts stronger near term prospects for commodity- exporting emerging and developing economies.

Oman is projected to witness a GDP growth of 2.5% in 2021 and 2.9% in 2022. Inflation turned negative in 2020 owing to subdued demand, but it is expected to increase to 3.0% percent in 2021 given the introduction of VAT and recovery in aggregate demand, before declining to 2.7% in 2022. The fiscal deficit is projected to improve to 2.4% in 2021 from 19.3% in 2020 driven by increased Oil revenue, and a move to fiscal surplus is predicted over the medium term.

Though emergence of COVID-19 variants could prolong the impact of the pandemic on the global outlook and financial conditions, and thus intensify the economic impact on Oman, the recovery in economic activity is in full swing with various countries ramping up their vaccination efforts and return to normalcy seems to be the focus among countries.

The operations of some of our investee companies was significantly impacted by the lockdowns in key markets that they operate and expect performance to gradually improve with the ease of restrictions in these markets. We are confident about the full recovery of economic activity and the effect of this benefitting the operations of our investee Companies. Though the risks of further new strains of virus leading to renewed restrictions is not ruled out, the will of countries to continue the economic recovery is clearly visible. The Company will continue to add value to its investee companies with a long-term view and also continue its efforts to structure the portfolio to generate sustainable long-term returns to shareholders.

On behalf of the Board of Directors, I would like to express our sincere gratitude to His Majesty Sultan Haitham bin Tariq for his able leadership of the country during such an unprecedented crisis. I also thank the shareholders for their continued support and for the confidence reposed on the company. My appreciation also goes to the company's management and staff for their contributions and commitment to the company.

Mohammed Ali Al Fannah

Chairman