Chairman's Report for the Quarter ended March 31, 2022

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 three month period ended March 31, 2022.

Overview of Operations and Financial Performance

A summary of the company's operating performance for the three-month period ended March 31, 2022 in comparison to the corresponding period in 2021 and the full year ended 2021 is presented below:

(RO in '000)

Quarter ended March 31, 2022	March 31 2022	March 31 2021	% Increase/ (Decrease)	Full Year ended 2021
Total Operating Income	487	439	11.1	1,150
Profit after Tax (PAT)	312	283	10.2	531
Other Comprehensive Income/ (loss)	193	532	(63.7)	1,383
Total comprehensive income/(loss)	505	815	38.0	1,913
Total Assets	18,621	17,569	6.0	18,659

It may be noted from above; the company's operations during the three month period ended March 31, 2022 generated an income of RO 487,278 as compared to RO 438,519 during the corresponding period in 2021. Profit before tax recorded an increase of 12.8% at RO 339,719 as against RO 301,198. The profit after tax arising from the company's operations during this period aggregated to RO 311,956 as compared to RO 283,126 generated during the comparable period in 2021 reflecting an increase of 10.2%. The increase in operating income and the subsequent increase in Net Profit despite lower recorded lease income was mainly due to higher dividend income from portfolio companies and interest income in comparison to the same period last year.

Other comprehensive income during the period stood at RO 193,098 compared to RO 531,574 recorded during the comparable period in 2021. The total comprehensive income for the period accordingly stood at RO 505,054 as compared to RO 814,700 during the comparable period in 2021.

The total assets of the company as at March 31, 2022 was RO 18,620,601 as compared to a RO 17,568,759 as at March 31, 2021, reflecting an increase of 6.0%. The break- up value of the company's equity share works out to Baizas 165 on March 31, 2022 as compared to Baizas 154 on March 31, 2021.

Investment and future Outlook

The global economy is expected to grow 3.6% in 2022 after an estimated increase of 6.1% in 2021, as per IMF Economic Outlook (April 2022) - this is 0.8% lower than projected in January outlook. Commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies. Oman is projected to witness a GDP growth of 5.6% in 2022 followed by 2.7% in 2023.

The above IMF projections for economic growth in 2022 have worsened since the outlook in January largely because of Russia's war on Ukraine. In addition to the war, frequent and wider-ranging lockdowns in China- including in key manufacturing hubs have also slowed activity there and could cause new bottlenecks in global supply chains. Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further.

The outlook for some of our investee companies remains challenging with the increase in commodity prices leading to cost overruns in some of the key growth projects undertaken by the investee companies. These Companies are in the process of streamlining their operations with a focus to improve profitability. The Company will continue to add value to its investee companies in the local market with a long-term view, the Company is also focusing on opportunities across markets in its constant effort to achieve effective diversification of the portfolio.

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 Mohammed Al Fannah

Chairman