

Date: 30 May 2023

Directors' Report

To the Shareholders of Saraya Holdings Limited PLC

Dear Shareholder,

You may find attached for your perusal a notice for this year's AGM. Kindly note that Saraya Holding's audited financial statements for the year ended 31 December 2022 are attached to the AGM notice.

Directors

The following were Directors of the Company during the financial year 2022:

Bassam E. Hage

Abdallah Al Fraihat - Appointed during the year 2022.

Low Ping - Resigned during the year 2022.

Mohammad Salman Sajid - Resigned during the year 2022.

Rauf Muhammad – Appointed during the year 2022 (resigned in April 2023).

Activities

Saraya Holdings Limited PLC (the “Company” or “SH”) is registered at the Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates as a public limited company in accordance with DIFC Law No. 2 of 2009 (as amended from time to time).

The Company is primarily engaged in business mergers and acquisitions, and investment in other companies. The Company's registered office is at Gate Village 10, Level 3, Unit 16 P.O. Box 51920, DIFC, Dubai, United Arab Emirates.

The 2022 consolidated financial statements were authorised for issue by the Directors on 30 May 2023. The Directors recommend no dividends to be paid for 2022.

The Directors are not aware of any relevant audit information of which the Company's auditor is not aware and have taken all reasonable steps to become aware of all relevant audit information.

2022 Review

The two 5-star hotels, W Amman and Al Manara, A Luxury Collection Hotel in Aqaba continued commercial operations in Jordan during the year. The year 2022 was a better year for the hotel industry after a slow performance during 2021 caused by the Covid-19 pandemic. Restrictions were started to lift gradually in Q2-2022 and fully lifted in June 2022. The Company continued handover of Skyline Residence units at W Amman, Jordan. Saraya Bandar Jissah SAOC (Muscat Bay Project), an associated company of the group in Oman, has continued with the handover of residential units in Muscat.

Below is a snapshot of the most important developments at the project companies' level.

1. Saraya Aqaba (SAQ)

With a paid-up capital exceeding USD 1 Billion, Saraya Aqaba is one of the largest Jordanian companies. As of 31 December 2022, the construction of the following zones was completed:

- Luxury Collection Hotel
- Al Sonono Townhouse (Phase 1)
- Al Bulbul Villas (Phase 1)
- Technical Building
- Al Carawan Apartments (Phase 1)
- SAQ Beach Club
- Offsite Facilities (Phase 1)
- Water Park
- Beach Club Restaurant

The handover of the completed residential areas started in 2019.

During 2023, the following are planned to be completed:

- The Shore Villas (2 Villas)
- Retail Promenade

Westin Hotel is expected to be completed by 31 December 2023.

2. Saraya Bandar Jissah

Saraya Bandar Jissah SAOC ('SBJ') was incorporated in the Sultanate of Oman as a closed joint stock company on 25 November 2007. Based on a Development Agreement entered into with the Omani Ministry of Tourism dated 31 August 2009, SBJ agreed to develop an area in Bandar Jissah Wilayat of Muscat ("Muscat Bay"). As per the master plan of the Project, SBJ will construct 2 five-star hotels, residential zones, a recreational center, and a recreational park.

In 2022, the Company handed over 23 units (with a total of 152 units from inception) and recognized the related revenues and costs.

As of 31 December 2022, the construction of the following zones was completed:

- Zaha Residential Area
- Nameer Island Residential Area
- Wajd Grand Hilltop Villas
- Central Park (Recreational Park)
- Staff Accommodation
- Village Square (recreational center)
- Jumeirah Hotel 2

During 2023, the following components are under construction:
Jumeirah Hotel 1 (which is expected to Start Construction in Q4-2023 and to be completed in Q4 -2026)

3. Saraya Abdali (SAB)

W Hotel Amman opened in April 2018. The 37-story tower has a 290-key hotel, Skyline Residences for sale, and a limited number of offices and retail spaces. The hotel has performed well during the year due to the lifting of COVID-19 restrictions imposed by the Government. Also, the hotel has performed better than its competitors during the year.

Risks and Outlook:

The Company's major investments are in Jordan and Oman. Mr. Hisham Ibrahim was appointed as the Chairman of the Board in May 2023 and under his leadership, the group expects to achieve significant growth and success.

Further, despite a challenging global and domestic environment, Jordan's growth during the first half of 2022 accelerated to 2.7 percent, propelled by a strong recovery of tourism, the full reopening of the economy, and improving exports. Meanwhile, inflation remained elevated, and borrowing costs were increased further during the year, posing a challenge for spending and investment. Real estate regulations in Jordan effectively allow customers full refunds in case of sale cancellation requested by the customer, which poses a challenge. Hotels performed better during 2022 in comparison with the last two years. The Company is optimistic that it would attract more customers for the hotels and Waterpark in 2023 being the full year of uninterrupted operations.

Oman's economy showed some improvements in 2022 due to the removal of restrictions and increase in demand for Oil. Economic activity is expected to expand at a quick pace this year (2023) with growth projected to reach 4.3%, due to healthier oil and gas output. Jumeirah Hotel 2 was handed over and started operations in December 2022. The company is planning to start construction of Jumeirah Hotel 1 in Q4 2023 considering the positive economic environment.

Yours sincerely,

Chairman


Hisham Ibrahim

Attachment: 2023 AGM notice