

**DIRECTORS' REPORT
FOR THE SECOND QUARTER ENDED ON MAY 31, 2022**

SAHARA HOSPITALITY COMPANY (S.A.O.G) ("SHC")

On behalf of the Board of Directors, I am pleased to submit the unaudited Financial Statements of the company for the second quarter ended on May 31, 2022 along with related reports.

Revenue was RO 6,237,085 as against RO 5,367,016 in the corresponding period in the previous year whereas net Profit after taxes for the period was RO 1,250,242 as against RO 1,067,048 in the previous year.

The total shareholders fund increased from RO 24,661,930 at the end of May 2021 to RO 25,837,258 at the end of May 2022 and as a result of this growth, the net assets per share has recorded R.O.3.261.

On behalf of the Board of directors, I express our most sincere gratitude to His Majesty Sultan Haitham Bin Tariq Bin Taimour Al Said for his wise leadership and generous support to the private sector. Furthermore, I would extend our gratitude to his government for their co-operation and assistance with special mention of Ministry of Commerce & Industry, Muscat Security Market and Capital Market Authority.

I conclude this report by expressing our appreciation to our shareholders, Petroleum Development Oman, our bankers and customers for their valued support and cooperation.

For and on behalf of Board of Directors,

TALAL BIN QAIS AL ZAWAWI
CHAIRMAN

Sahara Hospitality Co. (S.A.O.G.)

Statement of Comprehensive Income

Period ended 31 May-2022. (6 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
445,254		363,437		Resident Accommodation	2,530,062	2,134,611		2,168,446	
458,529		384,806		Resident Meals	2,642,825	2,261,348		2,272,271	
125,606		104,370		Resident Services	724,257	613,116		605,786	
5,613		5,739		Visitors Meals	29,147	34,434		23,246	
38,111		35,092		Beverages	199,698	172,064		166,728	
8,451		8,200		Clinic Services	51,777	49,200		50,262	
9,685		11,765		Others	59,319	70,590		80,277	
1,091,249		913,409		Total	6,237,085	5,335,363		5,367,016	
Cost of Sales									
47,358	11	37,598	10	Resident Accommodation	268,771	220,739	10	198,757	9
411,434	90	343,387	89	Resident Meals	2,360,100	2,017,878	89	1,995,215	88
172,928	138	140,606	135	Resident Services	991,001	825,953	135	804,854	133
4,835	86	4,952	86	Visitors Meals	25,105	29,712	86	20,021	86
29,077	76	25,968	74	Beverages	149,916	127,327	74	121,109	73
8,515	101	8,281	101	Clinic Services	51,903	49,686	101	51,003	101
7,995	83	10,075	86	Others	49,099	60,447	86	68,338	85
6,482		6,482		Staff Accom & Transport	38,892	38,889		38,892	
22,644		16,292		Elect & Water, Trspt,STP Chrgs	100,900	95,711		88,002	
-		-		Discount Allowed (Payable to PDO)	3,188	3,532		30,961	
87,929		87,953		Depreciation - PPE	526,591	524,427		530,701	
799,197	73	681,593	75	Total	4,565,466	3,994,300	75	3,947,853	74
292,052	27	231,816	25	Gross Profit	1,671,619	1,341,063	25	1,419,163	26
Overheads									
1,718		1,718		Depreciation on ROU Assets	10,308	10,308		10,311	
652		540		Interest & Bank charges	3,549	3,346		22,742	
13,300		13,300		Provision for Doubtful Debts	79,800	79,800		30,000	
36,066		35,046		Administrative General Exp.	215,468	205,128		194,868	
51,736	5	50,604	6	Total	309,125	298,582	6	257,921	5
18,473		18,473		Other Income (Interest recvd)	108,454	108,452		94,458	
258,789	24	199,684	22	Net Profit before Tax	1,470,948	1,150,933	22	1,255,700	23
38,826		29,961		Taxation	220,706	172,862		188,652	
219,963	20	169,724	19	Net Profit after Tax	1,250,242	978,071	18	1,067,048	20
21,996		-		Legal Reserve	125,024	57,094		106,705	
197,967	18	169,724	19	Net Profit attributable to shareholders	1,125,218	920,977	17	960,343	18

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: FAHUD

Period ended 31 May-2022. (6 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
217,637		166,311		Resident Accommodation	1,228,223	976,589		942,636	
219,461		169,842		Resident Meals	1,240,968	997,142		943,182	
58,393		43,827		Resident Services	329,380	257,308		232,124	
1,804		636		Visitors Meals	5,462	3,816		4,908	
19,220		16,647		Beverages	96,912	81,624		84,553	
1,604		4,405		Others	16,037	26,430		33,329	
518,119		401,668		Total	2,916,982	2,342,909		2,240,732	
Cost of Sales									
26,456	12	19,604	12	Resident Accommodation	148,788	115,095	12	91,407	10
193,101	88	149,746	88	Resident Meals	1,088,297	879,158	88	812,169	86
80,614	138	59,218	135	Resident Services	453,381	347,668	135	309,279	133
1,552	86	549	86	Visitors Meals	4,701	3,294	86	4,213	86
14,665	76	12,319	74	Beverages	72,946	60,403	74	61,475	73
699	44	3,500	79	Others	10,642	21,000	79	26,618	80
5,282		5,282		Staff Accom & Transport	31,692	31,689		31,692	
8,396		7,083		Elect & Water,STP Chrgs	42,530	41,593		34,624	
-		-		Discount Allowed (Payable to PDO)	1,703	1,942		14,365	
330,765	64	257,301	64	Total	1,854,680	1,501,842	64	1,385,842	62
187,354	36	144,367	36	Gross Profit	1,062,302	841,067	36	854,890	38

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: NIMR

Period ended 31 May-2022. (6 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
207,394		177,758		Resident Accommodation	1,182,994	1,043,836		1,111,581	
178,551		157,305		Resident Meals	1,048,253	923,550		996,074	
53,801		47,404		Resident Services	315,947	278,312		297,925	
683		1,719		Visitors Meals	7,745	10,314		4,782	
18,891		18,445		Beverages	102,786	90,440		82,174	
8,187		7,500		Clinic Services	47,858	45,000		45,666	
2,210		1,560		Others	9,345	9,360		10,236	
469,717		411,691		Total	2,714,928	2,400,812		2,548,438	
Cost of Sales									
20,902	10	17,994	10	Resident Accommodation	119,983	105,644	10	107,350	10
166,179	93	143,948	92	Resident Meals	967,072	845,130	92	895,970	90
75,259	140	64,683	136	Resident Services	437,251	379,759	136	399,106	134
592	87	1,487	87	Visitors Meals	6,686	8,922	87	4,143	87
14,412	76	13,649	74	Beverages	76,970	66,924	74	59,633	73
8,003	98	7,350	98	Clinic Services	46,641	44,100	98	44,789	98
1,830	83	1,181	76	Others	6,945	7,083	76	7,460	73
1,200		1,200		Staff Transport	7,200	7,200		7,200	
12,170		7,466		Elect & Water Transport chrgs	48,391	43,841		43,207	
-		-		Discount Allowed (Payable to PDO)	1,485	1,589		16,596	
300,547	64	258,957	63	Total	1,718,624	1,510,192	63	1,585,454	62
169,170	36	152,734	37	Gross Profit	996,304	890,620	37	962,984	38

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: **RIMA**

Period ended 31 May-2022. (6 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
20,223		19,368		Resident Accommodation	118,845	114,186		114,229	
60,517		57,659		Resident Meals	353,604	340,656		333,016	
13,412		13,139		Resident Services	78,930	77,496		75,737	
3,126		3,384		Visitors Meals	15,940	20,304		13,555	
264		700		Clinic Services	3,919	4,200		4,595	
5,871		5,800		Others	33,937	34,800		36,715	
103,413		100,050		Total	605,175	591,642		577,847	
Cost of Sales									
-		-		Resident Accommodation	-	-		-	
52,154	86	49,693	86	Resident Meals	304,731	293,590	86	287,078	86
17,055	127	16,705	127	Resident Services	100,369	98,526	127	96,468	127
2,691	86	2,916	86	Visitors Meals	13,718	17,496	86	11,665	86
512	194	931	133	Clinic Services	5,262	5,586	133	6,213	135
5,466	93	5,394	93	Others	31,512	32,364	93	34,260	93
2,078		1,743		Elect charges	9,979	10,277		10,173	
-		-			-	-		-	
79,956	77	77,382	77	Total	465,571	457,839	77	445,857	75
23,457	23	22,668	23	Gross Profit	139,604	133,803	23	131,990	23

Sahara Hospitality Co. (S.A.O.G.)

STATEMENT OF FINANCIAL POSITION

	May-2022 RO	May-2021 RO
Non-current Assets		
Property, Plant and Equipment	15,148,742	16,163,674
Right of use Asset	72,179	92,797
	<u>15,220,921</u>	<u>16,256,471</u>
Current Assets		
Inventories	28,032	29,532
Trade and other receivables	6,047,882	5,221,698
Receivable from related parties	14,716	1,115
Bank and cash	6,679,505	5,723,239
	<u>12,770,135</u>	<u>10,975,584</u>
Total Assets	<u><u>27,991,056</u></u>	<u><u>27,232,055</u></u>
Current Liabilities		
Trade and other payables	542,569	710,208
Amount due to related parties	1,164,259	1,036,389
Current portion of term loans	-	393,080
Current portion of lease liability	21,076	20,024
Taxation	219,560	180,100
	<u>-</u>	<u>-</u>
	<u>1,947,464</u>	<u>2,339,801</u>
Net Current Assets	10,822,671	8,635,783
Long Term Liabilities		
Lease liability - Long term	55,667	76,238
Deferred taxation	135,662	141,581
Employees' end of service benefits	15,005	12,505
	<u>206,334</u>	<u>230,324</u>
Total Liabilities	<u><u>2,153,798</u></u>	<u><u>2,570,125</u></u>
Net Assets	<u><u>25,837,258</u></u>	<u><u>24,661,930</u></u>
Shareholders' Fund		
Share Capital	7,923,300	7,546,000
Legal Reserve	2,583,263	2,352,538
Retained Earnings	14,205,477	13,803,050
Profit & Loss Account - Current Year	1,125,218	960,342
	<u>25,837,258</u>	<u>24,661,930</u>

Sahara Hospitality Co (S.A.O.G.)

Cash flow statement

Period ended 31 May-2022. (6 months)

	May-2022	May-2021
	RO	RO
Cash flows from operating activities		
Profit for the year before taxation	1,470,948	1,255,699
Adjustments for:		
Depreciation on property, plant and equipment	526,591	530,701
Depreciation on right-of-use assets	10,308	10,311
Finance charges	2,115	21,931
Investment income	(108,454)	(94,458)
Accrual of employee's end of service benefits	1,247	1,149
Property, plant and equipment written off	-	-
Cash flows before working capital changes	1,902,755	1,725,333
Decrease/(increase) in inventories	1,746	1,392
Movement in related party balances	22,349	(4,619)
Decrease/(increase) in trade and other receivables	(869,864)	(356,561)
Increase/(decrease) in trade and other payables	47,007	207,907
Cash generated from operations	1,103,993	1,573,452
Income tax paid	(373,674)	(432,153)
Net cash from operating activities	730,319	1,141,299
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,823)	(7,524)
Interest on bank deposits	108,454	94,458
Net cash (used in)/from investing activities	69,631	86,934
Cash flows from financing activities		
Term loan repayments	-	(589,644)
Dividend paid	(1,131,900)	(808,500)
Net financing charges	-	(19,323)
Payment of principal amount of lease liabilities	(9,885)	(9,392)
Payment of finance charges of lease liabilities	(2,115)	(2,608)
Net cash used in financing activities	(1,143,900)	(1,429,467)
Net change in cash and cash equivalents during the year	(343,950)	(201,234)
Cash and cash equivalents at the beginning of the year	7,023,455	5,924,473
Cash and cash equivalent at the end of the period	6,679,505	5,723,239