

Board of Directors Report For the fiscal year 2022 G





King Salman bin Abdulaziz Al Saud
The Custodian of the Two Holy Mosques



His Royal Highness
Prince Mohammed bin Salman Al Saud
Crown Prince and Prime Minister

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M/S shareholders of Sinad Holding Company

Greetings of peace, mercy and blessings of God be upon you,

The Board of Directors of Sinad Holding Company, “the Company”, is pleased to present to you the annual report of the Board of Directors for the year 2022 G. This report reviews the company's general position and financial performance during the fiscal year, in addition to the company's future directions, key strategies, and factors affecting its operations

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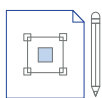


Company Overview:

Sinad Holding Company is a Saudi joint-stock company, listed on the stock market in the Kingdom of Saudi Arabia under the code 4080, within the investment and finance sector.



The company was established as per the Royal Decree No. R/78 on 7/11/1395 AH, corresponding to 11/11/1975 G, and initiated its business after the announcement of its incorporation and the issuance of its commercial register under No. 5850000276 dated on 01/15/1397 AH, corresponding to 01/05/1977 G. It is headquartered in the city of Riyadh.



In line with the company's strategic direction, the extraordinary general assembly issued its approval on 01/09/2022 AD to transfer the company's headquarters from the city of Abha to the city of Riyadh, and the company's name was changed from Aseer Company for Trade, Tourism, Manufacture, Agriculture, Real Estate, and Contracting to become Sanad Holding Company, and the company's objectives were modified to the activities of holding companies.



Since its incorporation, the company has gone through various stages of development, and the nature of its business has changed from being a company that engages in multiple operations and activities to an investment holding company with a capital of 1,263,888,890 Saudi riyals, and the number of issued shares amounts to 126,388,889 shares with a nominal value of 10 riyals per share, fully paid, as at the end of the year 2022 G, with no change compared to the year 2021 G.

The Company's Fiscal Year:

According to the company's Articles of Association, the fiscal year begins on the first of January and ends at the end of December of each year according to the Gregorian calendar.

Company auditor:

The company's accounts were audited by M/s. Dr. Mohamed Al-Amri & Co.BDO, based on the decision of the fifty-first Ordinary General meeting held on 12/06/2022 G appointing them as an auditor of the company, to examine, review and audit the financial statements for the second, third, and annual quarters of the fiscal year 2022G, and the first quarter of the fiscal year 2023 G

Internal Audit:

M/s. Baker Tilly MKM & Co. Chartered Accountants assumed the tasks and works of internal auditing and evaluating the internal control system of the company during the fiscal year 2022 G

Zakat advisor:

The company's zakat advisory is undertaken by M/s. Ernst & Young and Associates (EY).

Company's general position during the fiscal year 2022 G:

During fiscal year 2022 G, the company achieved net profits amounting to 10 million riyals, mainly resulting from the increase in total investment profits, which amounted to 82 million riyals, compared to losses in the previous year amounting to about 47 million riyals, as the fair value of the company's investment in debt securities and profits from sale increased, in addition to an increase in other operating income and a decrease in the value of zakat and income tax in one of its subsidiaries during the fiscal year 2022 AD.

During the year, the company proceeds to continue strengthening the basic building blocks to complete implementing the transformation strategy adopted since end of the year 2021 G, and current fiscal year marked a fruitful breakthrough of the main shift in its performance from losses to profits, which resulted in general improvement of investments performance as shown, in addition to substantial improvement in performance of its subsidiary Al Rabie Saudi Food Company,

which began to return to achieving profitability after the negative impact it had as a result of applying local tax and the negative reflection on its results during the years 2020 G and 2021 G, work is also underway to implement an ambitious operational plan in Halwani Brothers Company in the Kingdom of Saudi Arabia and the Arab Republic of Egypt to develop and improve its general performance, and it is hoped that implementation of these plans will be reflected in the company's financial results during next year.

From another side, the company is working on rebalancing its investment portfolio, and its impact on performance of portfolio will be positive, and it is worth noting that this faces a set of challenges in this direction, concentrated in exiting from a number of investments with no returns or low returns that are not subject to improvement and development because of the associated high risks, and entering into new feasible investments during the next two years in order to raise and develop performance.

The company is also working on improving its cash flows as a result of corrective measures and effective rebalancing of its investment portfolio, and thus entering into feasible investment opportunities within its strategic sectors, which are concentrated in the consumer basic materials sector, which includes the food industry, health services sector, educational services sector, in addition to the logistics services sector, in which the company recently established a company specialized in delivery for this sector, and the company will need some time to rebalance its investment portfolio in these sectors, according to a clear action plan that it started implementing since the previous year.

The company sets its sights on maximizing the interests of its shareholders and other stakeholders, including workers, creditors, and suppliers, and empowering its capabilities to play an effective role through its social responsibility. This annual report included the company's strategy, future directions, and details of its operations and performance during the fiscal year 2022 G.

Company's vision, mission and business strategy:

Given the constantly active nature of the business environment, the company needs to reconsider its strategy periodically to maintain its capabilities, raise performance efficiency, and explore new investment opportunities for growth and profitability; accordingly, the company has developed its strategic plan in order to be able to deal with the existing challenges and to take advantage of potential opportunities, which is a vital role that takes the character of continuity in order to adapt to changing business environment and to get out of the deadlock.

Strategic direction:

The company operates as an investment holding company with a strategic long-term and sustainable orientation, and for this purpose, it adopts an active supervision method in managing its investments through strategic support and financial supervision.

The company believes in the importance of the companies in which it invests in enjoying a high degree of independence in managing their operations as independent companies and they must have professional management. So, the company plays its role strategically by activating and developing the governance system and applying the best practices in this regard. The company is also concerned with searching for and launching of distinct and carefully studied investment opportunities and implementing them efficiently for the investment portfolio to grow steadily; so that the company provides these valuable investments to individuals and institutions through the financial market.

The company also understands the shareholders' needs in growing capital while achieving regular returns at a balanced risk level. Therefore, it seeks to preserve its value in the time of economic crises as much as possible, while taking into account, in achieving this, its mission that aims at the development and prosperity of the community through responsible investment, social development, and compliance with the legal aspects while facilitating participation in owning investment opportunities through specific partnerships and the stock market; thus, we articulated our mission, vision, and values to reflect the direction in which the company has been established since its inception.



Mission: "For the prosperity of societies, we nourish and ease access to sustainable investments"



Vision: "THE pioneers in unleashing and leading valuable investment opportunities"



Values:



We lead forward-looking initiatives and empower ourselves to take matters into our hands



We are responsible for achieving the interests of stakeholders and hold ourselves accountable to utmost quality



We comply with no compromise, taking governance and transparency to the heart



We are the innovation catalyst, passionately learn from experiences, and continually evolve to reshape the future



We are ambitious to grow and determined to endure the test of time, turning hardship into success

Balanced performance axes:

To achieve balanced performance, the company implements its strategy through four axes:

- Maximizing the value of equity by achieving sustainable profitable growth and controlling operating costs.
- Building a distinguished reputation/brand that obtains the confidence of investors for its sustainable returns and positive impact in society, with the formation of a balanced investment portfolio that is constantly improving/evolving leading the market of transformational intelligent strategies.
- Giving the investments the independence necessary to efficiently manage their operation while applying the best practices of governance and risk management and encouraging them for strategic mutual cooperation, in parallel with creating an organized work environment that is committed to procedures, regulations, and policies, and is characterized by transparency, flexibility, and is technically supported to achieve efficiency and effectiveness.
- Attracting talented competencies to form a professional, empowered, and dynamic team, adhering to the corporate identity within an attractive work environment and a value-based corporate culture.

Strategic initiatives:

The company is working on finalizing a number of strategic initiatives, following a precise project management system to achieve the set strategy and measure the efficiency of performance on a regular basis, where it's being monitored, as well as its completion rates on a monthly basis, and the company has completed 5 initiatives during the year 2022 G, bringing the number of completed initiatives since the launch of the strategy to 24 initiatives, and some of the most important initiatives are:



Launching activities for exchanging experiences between subsidiaries and associates



Developing risk management framework between subsidiaries and associates



Launching a program to improve the mental image of the company



Setting a plan to improve the performance of the investment portfolio



Carrying out the appropriate follow-up and implementation of the process of changing the company's name

Business strategy:

The company is working to achieve its mission through a strategy of diversifying its investments in different sectors and industries, with a focus on the defensive sectors, whose growth is linked to increased consumer demand and which is low-risk, as identified in the following vital sectors:



Logistics sector



Education sector



Healthcare sector



Consumer Staples sector

The company is working to rebalance its investment portfolio and move to new sectors by evaluating its existing investments with a comprehensive review of the dynamics of the local and regional economic environment with the aim of finding and exploiting possible opportunities in specific strategic sectors and the new investment opportunities that may branch out from them and distributing its investment portfolio in order to achieve growth in its revenues to align with maximizing the value of the company and the interests of its shareholders.

This strategy aims to achieve a balanced mix of risks that leads to growing investment returns for its shareholders, especially that the company enjoys competitive advantages that enable it to enhance its business and face the potential risks that it may be exposed to, and the most important of which are :

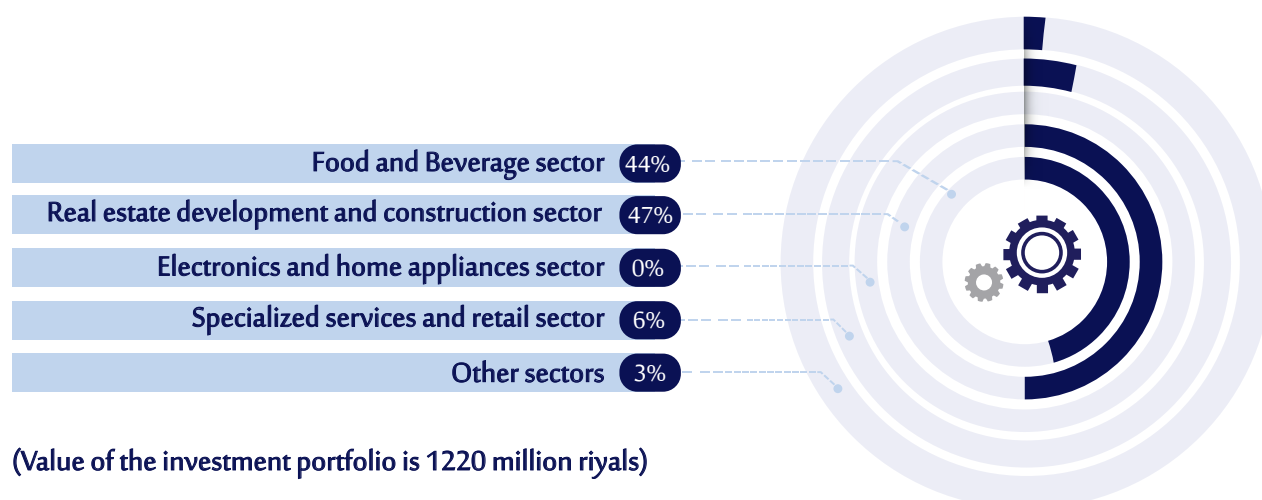
- Distributing its investments in economically promising strategic sectors .
- The ability to develop and improve the performance of its investments .
- Circulating its investments and enter new and feasible investment opportunities .

This strategy and competitive advantages, along with the accumulated experience of its Board of Directors and Executive Management, enhance the company's opportunities and future capabilities to achieve a quantum and quantitative leap in its performance, growth of its returns, and cash flow through the performance of subsidiaries and associates, and other investment income resulting from its returns from dividends and capital gains realized from the sale of any of its available-for-sale investments, in addition to the periodic evaluation of the fair values of its available-for-sale, traded and non-traded investments, and investment funds.

The company's main operations and business sectors:**The company's main operations:**

The company's operations are focused on managing a diversified investment portfolio in the existing sectors by raising the efficiency of investment performance, developing the value of the investment portfolio, and enhancing its growth opportunities, in addition to circulating some investments and rebalancing the investment portfolio by selling, to achieve capital gains that are reflected in the results of its business and achieving cash flows that enhance the company's position and opportunities to entering into viable alternative investments and achieving its investment objectives in the new vital sectors, and the company may resort to borrowing to finance equity and strengthen its capital structure whenever the need arises, to acquire feasible investment opportunities.

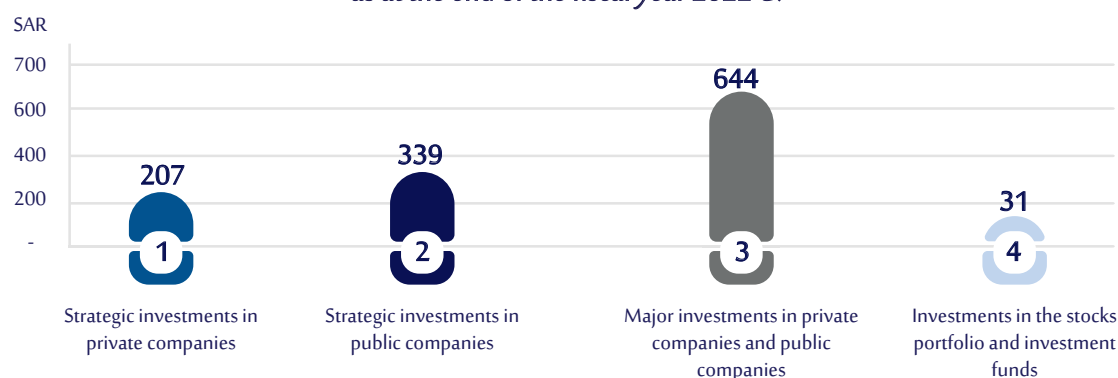
The figure below shows the relative distribution of the volume of investments based on sectors as at the end of the fiscal year 2022 G



The company classifies the ownership of its investments in the existing sectors into four basic investment categories, according to the nature and type of each investment, as follows:

- 1-Strategic investments in private companies.
- 2-Strategic investments in public companies.
- 3-Major investments in private companies and public companies.
- 4-Investments in the stocks portfolio and investment funds.

The figure below shows the distribution of investments according to the classification of investment categories as at the end of the fiscal year 2022 G:



Business sectors :

The company operates during the year 2022 G through two main business sectors: the investment sector and the industrial sector.



Investment sector: The company operates in the investment sector through a group of wholly-owned special purpose companies, and its direct investments in private companies and public companies whose activities are concentrated in the existing sectors of the company and in which its ownership is less than 50% of its capital, in addition to its investments in various securities in the traded stocks of companies listed on the Saudi market and investment funds, except for its industrial investments in private companies and public joint-stock companies that it controls and consolidates its financial statements with, which fall under the industry sector.



Industrial sector: The company exercises its activity in the industrial sector through its investments in a group of private and public joint-stock subsidiary companies that it owns by at least 50% and consolidates its financial statements with, in accordance with international standards approved in the Kingdom of Saudi Arabia, and its activity in this sector is concentrated in the fields of the preserved food industry, besides the textile and garment industry.



The table below shows the distribution of the company's activities to the business sectors that constitute the company's main operations, the impact of each sector on the company's business volume, its contribution to the results during the fiscal year 2022 G, and its comparison with the year 2021 G:

Year	Statement (in million riyals)	Investment sector	Industrial sector	Total
2022G	Total assets	1074	1865	2939
	Total liabilities and non-controlling interests	356	1345	1701
	Net sales and investment income	82	1769	1851
	Gross profit	82	472	554
	consumptions	2	101	103
	Property, plant and equipment and projects in progress	3	803	806
	capital expenditures	1	46	47
2021G	Total assets	1185	1862	3047
	Total liabilities and non-controlling interest	393	1253	1646
	Net sales and investment income	(47)	1711	1665
	Gross profit	(47)	486	439
	Consumptions	2	103	105
	Property, plant, equipment and projects in progress	4	867	871
	Capital expenditures	1	27	28

The company's assets, as well as the main markets for the company's activities and its subsidiaries, are concentrated in the Kingdom of Saudi Arabia, except for the activity of Halwani Brothers (Egypt), whose activity is concentrated in the Arab Republic of Egypt, and it's a subsidiary of Halwani Brothers Company, a subsidiary of Aseer Arabian Industrial Investment Ltd., wholly owned by the company.

Geographical Analysis of Total Consolidated Revenue:

The total consolidated revenues of the company consist of the total revenues of sales in the industrial sector and the revenues of the investment sector, which constitute the main operations of the company.

Total sales revenue during the year amounted to 1769 million riyals, compared to 1711 million riyals in the previous year, an increase of 3.2%, while the company made profits in the investment sector during the year amounting to 82 million riyals, compared to losses of 47 million riyals in the previous year, due to the profits of evaluating debt instruments at fair value through profit and loss in the amount of 73 million riyals during the year, in addition to recording profits from the sale of investment properties in the amount of 6 million riyals and the increase in dividends from investments and financial assets, which amounted to 17 million riyals during the year, compared to distributions of 11 million riyals during the year. The previous year, in addition to the decrease in losses recorded from investing in an associate company, which amounted to 11 million riyals, compared to a loss during the previous year amounting to 60 million riyals.

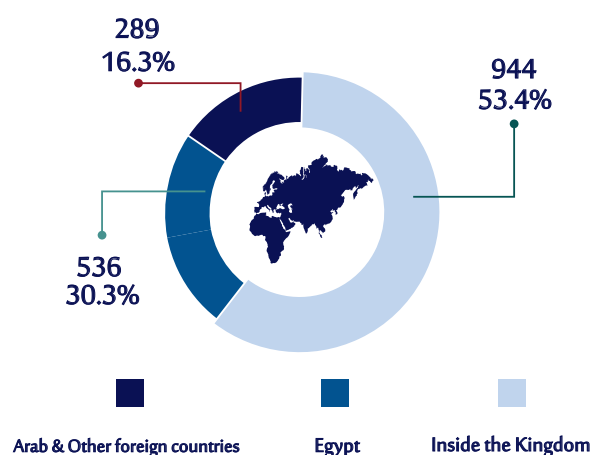
The geographical distribution of the total revenue from sales during the current year (2022 G) was formed in the revenues from inside the Kingdom, which amounted to 944 million riyals and constitute 53.4% of the total sales revenues, while the revenues from outside the Kingdom amounted to 825 million riyals and constitute 46.6% of the total.

Revenues from outside the Kingdom are represented in the revenues achieved by the Halwani Brothers Company (Egypt), a subsidiary of the Halwani Brothers Company, and the revenues represented by the export operations of the subsidiaries in the industrial sector to the Gulf Cooperation Council countries, Arab countries, and a group of other countries.

The following table shows the geographical distribution of the company's revenues from inside and outside the Kingdom:

Year	Total revenue	Geographical analysis of total consolidated revenues (in million riyals)		
2022	1769	Inside the Kingdom 944	Egypt 536	Arab & Other foreign countries 289

The following figure shows the geographical distribution of the company's revenues from inside and outside the Kingdom:



Plans, decisions and future directions:

•The important decisions in 2022 G:

1 Amendment of company's articles of association:

As decided by the Fifteenth Extraordinary General Assembly, convened on 01/09/2022 G, to approve the amendment of Article 2 of the company's articles of association related to the name of the company to be, after the amendment, "Sinad Holding Company (Joint Stock Company – Listed)", and it was also approved to amend Article 3 of the company's articles of association related to the company's purposes, to be, after the amendment, as follows:

- 1.Managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support to them.
- 2.Investing its funds in stocks and other securities.
- 3.Owning real estate and movables necessary to carry out its activities.
- 4.Providing loans, guarantees and financing to its subsidiaries.
- 5.Possession of industrial property rights such as patents, trade and industrial trademarks, franchise rights and other intangible rights, exploitation and leasing them to affiliated companies or others.
- 6.Any other legitimate purpose consistent with the nature of this company.

It was also approved to amend Article 5 of the company's articles of association related to the company's head office to be, after the amendment, "The company's head office is located in the city of Riyadh, and branches, offices or agencies may be established for it inside or outside the Kingdom of Saudi Arabia by a decision of the Board of Directors."

The company also announced on 06/05/2022 G that it had completed all the statutory procedures to amend the company's name from Aseer Company for Trade, Tourism, Manufacture, Agriculture, Real Estate and Contracting to Sinad Holding Company.

2 Election of the Board of Directors for the new term:

In view of the end date of the existing session of the Board of Directors on 10/26/2022 G, the company has opened the door for the nomination for membership of the Board of Directors for the new session that starts from 10/27/2022 G, during the period from 01/08/2022 G to 08/31/2022 G (26) people applied for nomination to the membership of the Board of Directors, as the Ordinary General Assembly (52) held on 10/19/2022 G elected nine members of them for the membership of the Board of Directors for the new session that started from 10/27/2022 G and for a period of three Gregorian years.

3 The land owned by the company in the north of Riyadh:

In continuation of what was announced during the years 2019 G, 2020 G, and 2021 G regarding the land owned by the company in northern Riyadh, the company announced on February 03, 2022 G that it has received from its lawyer on 02/02/2022 G that the Large Claims Department issued its preliminary judgment in favor of Aseer Company as follows:
First: Termination of the contract of sale of land north of Riyadh concluded between the company (the plaintiff) and the seller (the defendant) and what is attached to it.

Second: oblige the seller (the defendant) to pay an amount of 202 million riyals in favor of the company (the plaintiff). Noting that this ruling is considered a preliminary ruling, and a copy of the ruling will be delivered to the two parties on Sunday, 02/06/2022 AD, and each party has the right within thirty days to object to the issued ruling.

The company also announced on 04/25/2022 G that the Court of Appeal issued its ruling in its first session held on Sunday 09/23/1443 H corresponding to 04/24/2022 G, supporting the ruling issued by the Major Claims Department of the General Court in Riyadh by annulling the contract for the sale of land north of Riyadh concluded between the company (the plaintiff) and the seller (the defendant), dated 01/12/1429 AH, and what is entitled to it, and obligating the seller (the defendant) to pay an amount of 202 million riyals in favor of the company.

The company submitted to the Execution Court on 05/16/2022 G a request to implement the judgment issued against the defendant on 08/10/2022 G, and an amount of (2.5 million riyals) was received only.

Strategic plans and directions:

The company's investments are concentrated in the main strategic sectors in addition to some other diversified investments, and they are divided into strategic and major investments through private companies and public companies, in addition to investments in Stocks portfolios and investment funds, and the company intends to implement its strategic directions and future investment plans as follows:

Strategic investments in private companies



These investments consist of limited liability companies and closed joint-stock companies that operate in the strategic sectors of the company. The company expects to achieve returns from the profits of these investments and from dividends paid from them, in addition to realizing capital gains when part of its share in those investments is put up for initial public offering whenever possible. Moreover, the company may resort to selling some investments whenever feasible opportunities become available and circulate the cash flows as result to finance other investments to enhance the base of equity and achieve growth in its business results.

Strategic investments in public companies



These investments consist in public joint-stock companies that operate in the strategic sectors of the company, and the company expects to achieve continuous returns from them, and whenever there are feasible opportunities that achieve the interests of the company and its shareholders, the company may consider selling any of these investments, or part of them, to achieve capital gains and corresponding cash flows to finance the acquisition of other feasible new investments that are in line with the company's strategy and have a positive impact on the growth of the company's business results and financial position.

The major investments in private and public companies



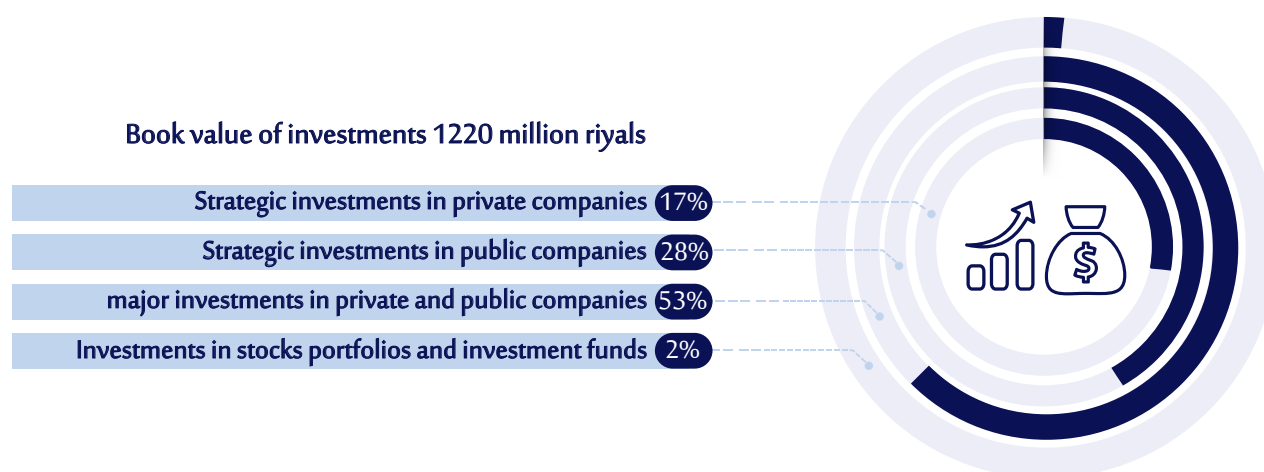
These investments consist in companies that carry out activities in various sectors and seek to grow their business by expanding into new markets or working on expansion by merger or acquisition in the event that there are such opportunities to develop its share and market value, and the company may resort to selling any of its investments in this category whenever it is appropriate or after its development and raising its fair value if possible and securing cash flows that contribute to enhancing its equity and dividends to shareholders or in financing new investment opportunities.

Investments in stocks portfolios and investment funds



These investments consist of investments in stocks portfolio and investment funds, which is of a special nature. These investments are managed by specialized licensed and independent authorized persons. The company expects to achieve returns from its dividends, in addition to capital gains whenever it sees the feasibility of exiting by selling these investments, or part of them, to generate cash flows to finance the development of existing investments or to enter new investment opportunities or pay cash dividends to shareholders.

The figure below shows the relative distribution of the company's investments by investment categories:



Human Resources Development Plans:

The company believes that the implementation of its strategy and business plans depends on the efficiency and adequacy of human resources, which have a vital role in developing its business and raising the performance of its investments, and it's working on plans and programs for internal and external training, in addition to on-the-job training plans, which is one of the main priorities, in addition to attracting specialized competencies according to the company's future needs. The plans for the gradual replacement of Saudi cadres are of particular importance, as these plans and programs resulted in maintaining good levels of Saudi cadres, and the company achieved a high percentage in the Saudization of its jobs. In addition, the company is aware of the importance of having incentive plans and programs (for the benefit of its employees, as part of its future development directions).

Continuous development plans and programs:

The company works in its direction to implement its strategies and plans to achieve its basic mission as an investment company, and works on the continuous development and improvement of the company's operations to suit the nature of the company's business and its development, in cooperation with specialized consultants for the continuous development of its organizational and functional structure, internal systems and regulations and the updating of information technology programs for administrative, financial and internal control systems, in addition to evaluation reviews of the performance of its investments in strategic sectors, and it is expected that this will have a positive impact on the company's overall performance and future results.



The impact of future investment plans and directions on business results:

The company believes that implementing its strategic plans and future directions and developing the performance of its existing investments or expansion plans in these investments, and any acquisitions and of new feasible investments or the merger of some of the companies it invests in, in addition to working to restructure and develop some investments or excluding other investments with poor performance will be the means for developing its revenue sources through the expected profits from its subsidiaries, dividends and capital gains from its investments and providing the necessary cash flows; in addition, plans and programs for continuous development and human resource development will enable it to achieve growth in its business results and enhance its financial position, which will have a positive impact on its shareholders, other stakeholders and society as a whole.

Risk factors facing the company, and potential risks:

The company and its subsidiaries, as is the case for any economic entity, face a range of risks, including operational and financial risks related to the company's operations, risks related to the market and the sectors in which it invests, in addition to the effects of macroeconomic factors affecting the growth rates of the strategic sectors in which the company invests, and the risks of decreasing the fair value of its investments or the depreciation of the intangible assets identified in the goodwill value of some of the companies invested in them, in addition to other risks that may not be known to the company, which may result from the repercussions of financial and economic crises, fluctuations in political and social factors, and changes in legislation, laws, and regulations in force. The main risks are concentrated in the following:



Risks of being affected by the revenues of the industrial sector, especially the preserved food industries sector, as a result of competition from companies operating in the same activity, or as a result of the levels of abundance of raw materials or their high prices, and the risks of foreign exchange rates against the Saudi riyal.



Liquidity risk, which is represented in the company's inability to meet its obligations related to financial liabilities as they become due, the risk of the impact of not meeting the terms of credit facility agreements, and the risk of inability to secure sufficient or additional financing through credit facilities in a timely manner and acceptable terms to meet any capital call commitments, guarantees and potential commitments.



Commission rate risk, which is the risk that the value of financial instruments will fluctuate due to commission fluctuations and the possibility that future profitability or the fair value of financial instruments will be affected by its assets and liabilities, including short-term deposits and long-term Murabaha financing.



Capital risk management, where the company manages its capital to ensure its ability to continue, determine its capital structure and its ability to obtain financing to meet any obligations as they arise or to enter into new investment opportunities.



Risks related to unexpected disruption of financial, administrative and operational technical systems.



The risks of fluctuations in the pricing of private and public equity markets and their impact on the company's results, financial position, and the company's ability to generate cash flows.



The credit risk of customers and their inability to fulfill their obligations towards the company and its related assets, and the negative impact on cash flows.



Risks related to political and economic conditions and growth rates of strategic sectors that may affect the performance of their investments.



Legislation risks, laws and regulations related to the company's operations, activities and obligations.

The company faces, manages and monitors these risks by working to avoid high risks as much as possible, reduce their impact, or transfer them to other parties such as insurance companies by taking a number of necessary measures and precautions to be able to conduct its operations in the usual manner, and continuous monitoring of the risks affecting the company's operations and its needs for cash liquidity and procedures for adjusting its capital structure to enhance its ability to obtain funds to meet its emerging and future obligations, work on developing internal systems and regulations and strengthening internal control systems, as well as following a balanced risk policy by diversifying its investments and the sectors in which it operates and periodic evaluation of its investments in private and public equity and related risks, take the necessary measures towards it, apply the selection methodology for new investment opportunities, circulate some of its investments by selling, and employ their returns in better investment opportunities whenever possible. The company also works to avoid risks by developing and improving the results of its investment operations, according to the type and nature of the investment and the sector, with the aim of developing its returns by raising the fair value of investments and enhancing property rights, and working to increase its production efficiency to raise the level of profitability and cash flows, secure its obligations and dividends to its shareholders and achieve a rise in their investment returns .

Consolidated financial position of the company:

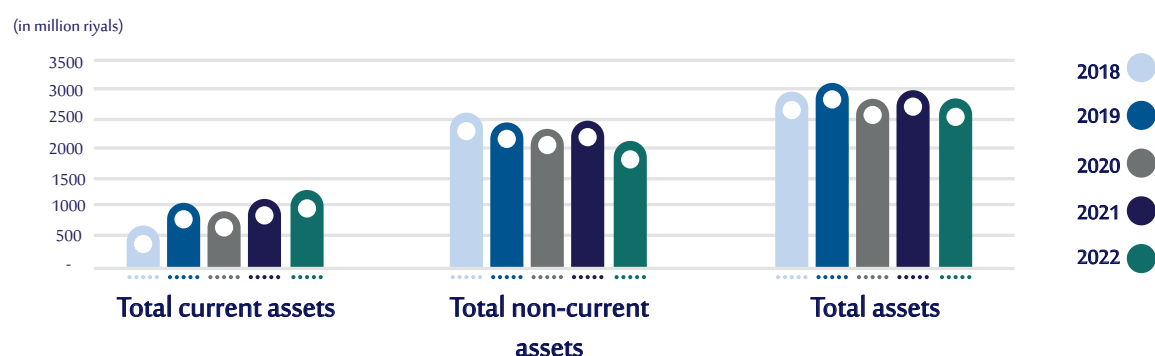
Assets:

Total assets at the end of the year decreased by 3.70% over the previous year, reaching 2939 million riyals, compared to 3047 million riyals in the previous year, this is mainly due to the increase in trade receivables, inventory, advance payments, debit balances and related parties, and right-of-use assets, investments and assets held for sale and a decrease in the item of property, machinery, equipment, and projects in progress.

The table below shows a summary of the asset items for five fiscal years:

Statement (in million riyals)	2022	2021	2020	2019	2018
Cash and semi-cash items	294	149	178	134	92
Investments held for trade	28	-	-	-	-
Trade receivables, net	261	232	183	255	269
Stock, net	425	402	367	382	379
Advances, debit balances and related parties	274	258	239	270	86
Assets held for sale	5	10	-	-	-
Total current assets	1287	1051	967	1041	826
Investments and financial assets	641	907	841	841	873
Real Estate Investments	5	7	7	7	188
Property, plant, equipment and projects in progress	806	871	946	999	967
Intangible assets	160	160	159	161	163
Other long-term assets	-	-	-	-	13
Right-of-use assets	40	51	48	56	-
Total non-current assets	1652	1996	2001	2064	2204
Total assets	2939	3047	2968	3105	3030

The figure below shows a comparison of current and non-current assets and total assets for five fiscal years:



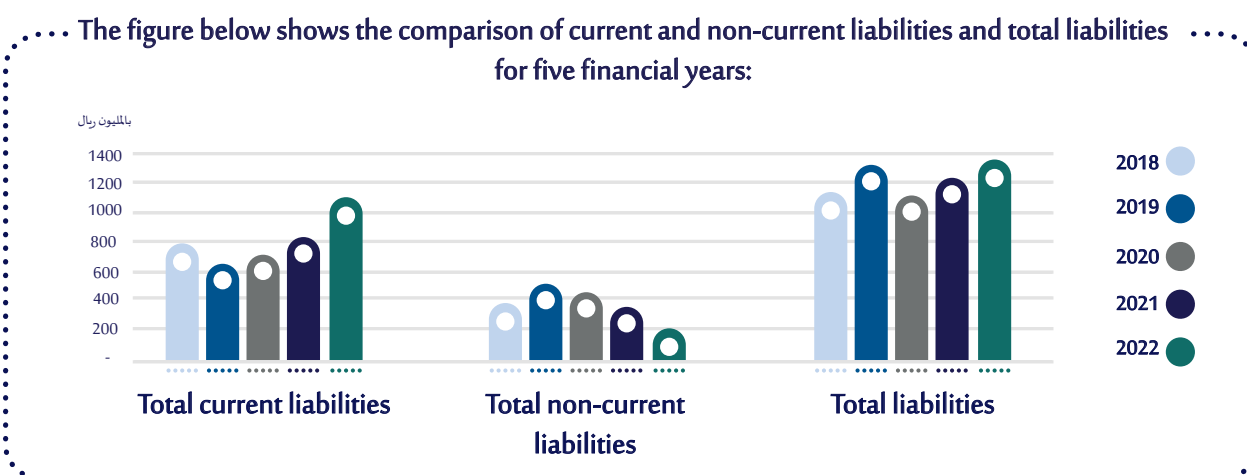
Liabilities:

Total liabilities at the end of the year increased by 9.3% from the previous year, reaching 1352 million riyals, compared to 1226 million riyals in the previous year, due to the increase in the item of short-term Islamic Murabaha financing, obligations under lease contracts, provision for end of service and the provision for zakat and tax.

The table below shows a summary of the liabilities items for five fiscal years:

Items of liabilities in the financial position:

Statement (in million riyals)	2022	2021	2020	2019	2018
Current liabilities					
Short-term Murabaha financing and current installments	684	449	343	329	492
Accounts payable, accruals and other liabilities	356	301	306	264	267
Dividend payable	12	13	14	14	15
Obligations under leases of the current portion	13	18	13	13	-
Provision for zakat and tax	56	68	65	57	25
Finance lease receivables - current portion	-	-	-	-	2
Provision for potential claims	-	-	-	-	-
Liabilities related to assets held for sale	-	-	-	-	-
Non-current liabilities					
Murabaha financing and long-term loans	84	229	260	423	271
Finance lease receivables	34	-	-	-	1
Deferred tax	18	-	-	1	2
Financial derivatives	-	-	-	-	-
Provision for end of severance pay	95	112	120	119	113
Obligations under leases of the current portion	-	36	32	38	-
Total non-current liabilities	231	377	412	581	387
Total liabilities	1352	1226	1153	1258	1188



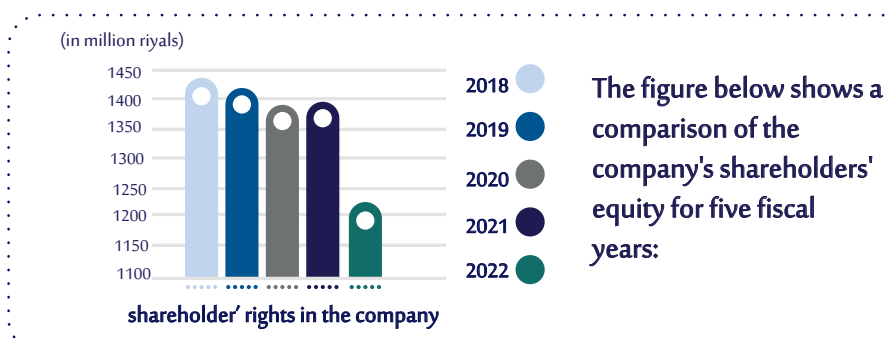
Shareholders' equity in the company:

Shareholders' equity at the end of the year decreased by 13.3% over the previous year, reaching 1237 million riyals, compared to 1402 million riyals in the previous year. This is mainly due to recording profits of valuing equity instruments at fair value during the year.

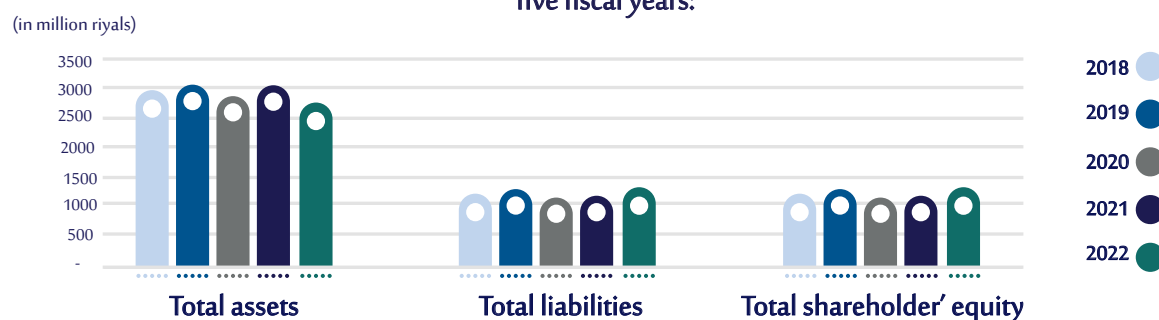
The table below shows a summary of equity and shareholders' equity for five fiscal years:

Items of equity and shareholders' equity in the financial position:

Statement (in million riyals)	2022	2021	2020	2019	2018
Equity					
Shareholders' equity					
Capital	1264	1264	1264	1264	1264
Statutory reserve	219	219	312	312	406
Retained earnings/(Losses)	(28)	(40)	(64)	(18)	(84)
Net unrealized gain on revaluation of equity instruments at fair value	(98)	39	(51)	(74)	(86)
Foreign currency translation differences	(120)	(80)	(80)	(82)	(88)
Shareholders' equity in the company	1237	1402	1381	1402	1412
Non-controlling interest (minority)	350	420	434	445	430
Total Equity	1587	1822	1815	1847	1842



The figure below shows a comparison of total assets, liabilities and shareholders' equity for five fiscal years:



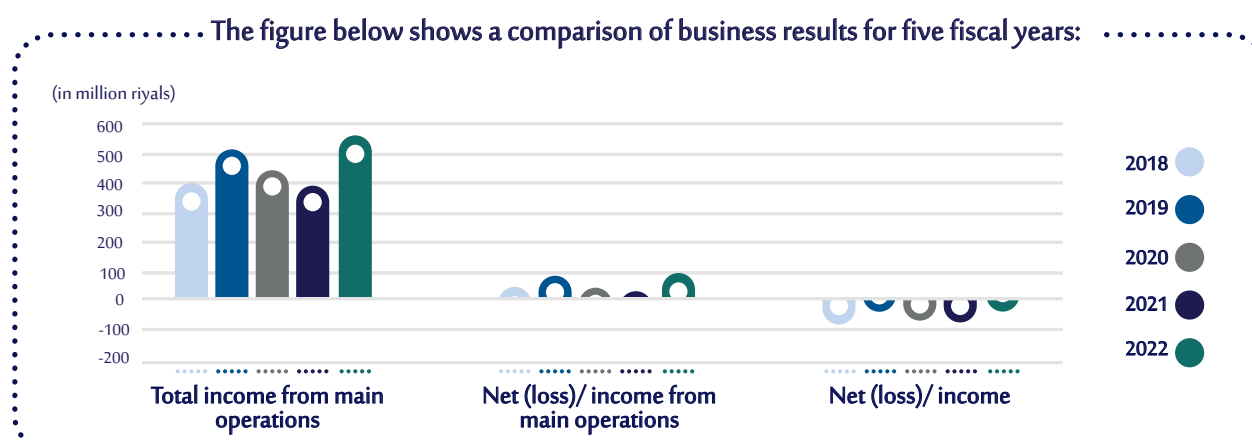
Consolidated business results of the company:

During 2022 G, the company made a net profit of 10 million riyals, compared to a net loss of 63 million riyals during the previous year, as a result of an increase in total income from major operations by 21% to reach 554 million riyals, compared to 439 million riyals during the previous year, an increase of 114 million, and the profit resulted mainly from investment profits, as it amounted to 82 million riyals, compared to 47 million riyals loss during the previous year.

The table below shows a summary of the income statement items compared to five fiscal years:

Income statement items:

Statement (in million riyals)	2022	2021	2020	2019	2018
Net sales	1769	1711	1570	1884	1798
Gross sales income	472	486	451	547	529
Total (loss)/income from investments	82	(47)	(1)	(33)	(128)
Total income from main operations	554	439	450	514	401
Selling and distribution expenses	(260)	(256)	(241)	(260)	(253)
General and administrative expenses	(186)	(169)	(184)	(181)	(153)
Other operating income/(expenses)	12	8	3	1	9
Total expenses	(434)	(417)	(422)	(440)	(397)
Net (Loss)/Income from main operations	120	22	28	74	4
Net (expenses)/other income	(2)	2	(1)	39	4
(losses) /gains of valuation of derivatives at fair value through profit or loss	(18)	-	-	-	-
Finance charges	(35)	(20)	(27)	(38)	(37)
Potential claims expenses	(18)	-	-	-	-
(Loss) / Income from the continuous operations prior to zakat, tax, and non-controlling interest	47	5	-	75	(29)
Zakat and income tax	(35)	(45)	(45)	(57)	(24)
Non-Controlling Interest	2	(22)	(4)	(41)	(51)
Net (loss)/income	10	(63)	(49)	(23)	(104)
(Loss) / Earnings per share from net (loss)/income	0.08	(0.50)	(0.38)	(0.18)	(0.82)



Subsidiaries:

The company exercises its main activities and operations either directly or through its subsidiaries, in addition to fully owned companies established by it for purposes related to its investments according to the nature of the business sector and the classification of each investment. The table below shows the subsidiaries during 2022 G, in which the company owns 30% or more of its capital.

Company name, type and capital	Ownership%	Country of incorporation	The main country from which it operates	The main activity
1 Aseer Arabian Industrial Investment Ltd (One Person Limited Liability Company) Capital (Saudi riyals 300,000,000)	Factually owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its activity is focused on establishing or participating in industrial projects
2 Halwani Brothers Company (Public joint-stock company) Affiliated to Aseer Arabian Industrial Investment Ltd Capital (Saudi riyals 353,571.450)	Owned a percentage of 55.51%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture and packaging of food materials and products especially tahini, halva, ma'moul meat, and cheese products. The company exports part of its products to more than 32 countries around the world
3 Halwani Brothers Company (Egypt) (Closed joint stock company) (Affiliated to Halwani Brothers Company) Capital (EGP 100,000,000)	Factually owned 100%	Arab Republic of Egypt	Arab Republic of Egypt	Manufacture, packaging of food materials and products especially tahini, halva, ma'moul and meat products, and some of their products are exported to other Arab countries
4 "Al Rabie Saudi Food Co. Ltd. "Al Rabie (Closed joint-stock company) Affiliated to Aseer Arabian Industrial Investment Ltd Capital (Saudi riyals 110,000,000)	Owned in a percentage of 57.3%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture of food products especially juices, dairy, and ice cream, and the company exports part of its products to the Gulf Cooperation Council, Arab countries, and other countries around the world
5 Textile and ready-made garments Co "Saudi Thobe" (Limited liability company) Affiliated to Aseer Arabian Industrial Investment Ltd Capital (Saudi riyals 10,000,000)	Owned a percentage of 62.3%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its activity is concentrated in the production of clothing, and the company's main products include the Saudi thobe and formal and special suits for institutions, hospitals, schools, and universities
6 Al Khwatim Trading & Contracting Co (One Person Limited Liability Company) Capital (Saudi riyals 1,000,000)	Factually owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is general construction contracting, buildings, and related activities

	Company name, type and capital	Ownership%	Country of incorporation	The main country from which it operates	The main activity
7	Al-Mawajid International Real Estate Development Co. Ltd (One Person Limited Liability Company) Capital (Saudi riyals 500.000)	Factually owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is the purchase of lands, investment therein by way of selling or purchasing buildings general contracting and activities affiliated with them
8	Logistics express delivery company (One person limited liability company) capital (SAR 2,000,000)	Factually owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is to provide logistical services (land transport of goods and light transport) and to provide delivery services via electronic platforms
9	Alissa Industries Co (Closed joint-stock company) Capital (Saudi riyals 500,000,000)	owned a percentage of 38%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture, import and distribution of electrical and electronic household appliances air conditioners, refrigerators) freezers, etc)

Note:

The Board of Directors decided on 26/07/2022 G to establish a limited liability company with a capital of 2 million riyals, 100% owned, working in the logistics services sector, concerned with the delivery activity.

Shares issued to each subsidiary:

The issued shares for the subsidiaries (listed and unlisted joint-stock companies), in which the company owns 30% or more, represent until the end of 2022 G in Halwani Brothers Co.. and its subsidiary Halwani Brothers (Egypt), registered in the Arab Republic of Egypt, and Alissa Industries Co., as follows:

Al Rabie Saudi Food Company:

Al-Rabie Saudi Foods Company transformed from a limited liability company into a Saudi joint stock company (unlisted) at the end of the year 2022 G, and the number of its issued shares amounts to 11 million ordinary shares, and the nominal value of each share is 10 Saudi riyals paid in full, and its capital amounts to 110 million Saudi riyals, and the company's ownership in Al-Rabie Saudi Food Company Limited amounts to 57.3%, with 6,303,000 shares of its total shares issued at the end of the year 2022 G.

Halawani Brothers Company:



A Saudi joint-stock company listed on the Saudi Stock Exchange under number (6001), within the food production sector, its issued shares are 35,357,145 ordinary shares until the end of 2022 G, and the nominal value per share is 10 Saudi riyals, fully paid, and its capital is 353,571,450 Saudi riyals.

Halwani Brothers Company is a subsidiary company of Aseer Arabian Industrial Investment Ltd., with an ownership percentage of 55.51% of the capital, 19,626,750 shares out of the total number of its issued shares, and there has been no change in the ownership percentage of Aseer Arabian Industrial Investment Ltd. in Halwani Brothers Company compared with what it was at the end of the fiscal year 2021 G.

Halwani Brothers Company is affiliated with its subsidiary company in the Arab Republic of Egypt, which is Halwani Brothers Company (Egypt), a closed Egyptian joint-stock company (unlisted), and it's actually fully owned by Halwani Brothers Company, its issued capital is 100 million Egyptian pounds, distributed over 500 million issued ordinary share with a paid nominal value of 0.20 Egyptian pounds (twenty piasters) per share as at the end of the year 2022 G.

Alissa Industries Company:



Alissa Industries Company is a closed Saudi joint-stock company (unlisted) and the number of its issued shares is 50 million ordinary shares, the nominal value of each share is 10 Saudi riyals, fully paid up, and its capital is 500 million Saudi riyals, the company's ownership in Alissa Industries is 38% of the capital, a number of 19,000,000 shares out of its total issued shares as at the end of the year 2022 G.

During the year 2022 G, Alissa Industries Company reduced its capital to extinguish its accumulated losses from 750 million riyals to 500 million riyals by canceling 25 million shares, equivalent to 250 million riyals, so that its capital at the end of the current year 2022 G amounted to 500 million riyals.

Neither the company nor any of its subsidiaries had issued any debt instruments until the end of 2022 G.

Loans on the company and total indebtedness with its subsidiaries:

Loans to the company:

The company has a Term Islamic Murabaha Facility Agreement with Samba Financial Group amounting to 631 million Saudi riyals to finance the acquisition of 38% of the capital of Alissa Industries and increase its capital during 2013G. The company has provided a promissory note as a guarantee for this loan in addition to signing the necessary bank documents. The loan is repaid in installments distributed over a period of seven years with the flexibility of early repayment. In 2020 G, the company signed a rescheduling agreement to repay the Murabaha in unequal installments distributed over a period of five years, and an amount of 581 million riyals was paid until 12/31/2022 G (Noting that an amount of 50 million riyals was paid in advance), and the remaining amount of the loan amount is 50 million riyals as of the end of 2022 G, in addition to the amount of 0.3 million riyals financing charges due.

Loan donor	Amount Loan principal	Repayment period	Paid until 12/31/2021G	Paid during 2022G	Remaining amount of the loan
Loan from the Saudi National Bank (Formerly Samba Financial Group)	631 million Saudi riyals	5 years	461 million Saudi riyals	120 million Saudi riyals	50 million Saudi riyals

During the year 2022 G, the company concluded a short-term Islamic Murabaha facilities agreement (Tawarruq) with a local bank in the Kingdom of Saudi Arabia, with a total amount of 200 million Saudi riyals, to be paid within 12 months. The company pays financing charges according to the prevailing exchange rate between Saudi banks (SIBOR) plus a fixed commission rate. As of December 31, 2022 G the outstanding balance of these contracts amounted to 133 million riyals.

The company also entered into short-term Islamic Murabaha facilities (Tawarruq) contracts with a local bank in the Kingdom of Saudi Arabia with a total amount of 200 million Saudi riyals to be repaid within a period of six months. The company pays financing charges according to the prevailing exchange rate among Saudi banks (SIBOR) in addition to a fixed commission rate. As of December 31, 2022 G, the outstanding balance of these contracts amounted to 70 million Riyals (2021 G 140 million riyals), and the contracts above are secured against a mortgage of shares.

Loans to subsidiaries:

The subsidiaries, which consolidate their financial statements with the company, obtained loans and facilities as follows:

Halwani Brothers Company:



Loan donor	Principal value of the loan	Repaid of the loan Until December 31, 2021 G	Repaid during 2022G	Remainder of loan amount
Banque Saudi Fransi loan	150 million Saudi riyals	144 million Saudi riyals	6 million Saudi riyals	0 million Saudi riyals

In 2019, Halwani Brothers signed a financing agreement with the French Bank in the amount of 150 million Saudi riyals, and the entire financing balance was withdrawn by the company in accordance with the terms of the agreement. The loan is repayable in quarterly installments, and the most recent installment was paid on March 30, 2022 and the last installment is due on June 30, 2023, and there are fees arising from the financing, and the loan is secured by promissory notes issued in favor of the bank.

Loan donor	Principal value of the loan	Repaid of the loan Until December 31, 2021 G	Repaid during 2022G	Remainder of loan amount
Al Rajhi Bank loan	50 million Saudi riyals	12.5 million Saudi riyals	16.7 million Saudi riyals	20.8 million Saudi riyals

In 2021, Halwani Company signed a financing agreement with Al Rajhi Bank in the amount of 65 million Saudi riyals, and an amount of 50 million Saudi riyals was withdrawn from the financing balance by the company in accordance with the terms of the agreement. The loan shall be repaid in the form of quarterly installments, and the last installment shall be due on March 31, 2024. The financing entails financing fees and the loan is secured by promissory notes issued in favor of the bank.

- Halwani Brothers Company has short-term Islamic Murabaha contracts (Tawarruq) with local banks in the Kingdom of Saudi Arabia with a total amount of 450 million Saudi riyals to be repaid within a period of three months and six months, and the company pays financing charges according to the prevailing exchange rate among Saudi banks (SIBOR) in addition to a fixed commission rate. Also, as of December 31, 2022 G, the outstanding balance of these contracts amounted to 270.4 million riyals (151.4 million Riyals in 31/12/2021 G), and these contracts are secured by promissory notes.

- Halwani Brothers Company (Egypt), a subsidiary of the Halwani Brothers Company, has Islamic Murabaha contracts with banks in the Arab Republic of Egypt to purchase goods used in production, and the company pays fixed financing charges. Also, as of December 31, 2022 G, the outstanding balance for these contracts amounted to 15.5 million Riyals (2.7 million Riyals in 31/12/2021 G).

- The subsidiary company entered into short Murabaha contracts with local banks in the Arab Republic of Egypt to finance its operations. As of 12/31/2022 G, the outstanding balance of these contracts amounted to 34 million riyals (31/12/2021G: Nil)

Al Rabie Saudi Food Company:



Loan donor	Principal value of the loan	Repaid of the loan Until December 31, 2020 G	Repaid during 2021G	Remainder of loan amount
The Saudi British Bank (SABB) loan	138.9 million Saudi riyals	32 million Saudi riyals	106.9 million Saudi riyals	-

Al Rabie Saudi Food Company signed a long-term loan agreement during 2015 with the Saudi British Bank in the amount of 200 million riyals to finance the capital expenditures for the modernization and replacement of production lines for its factories in Riyadh, and it shall be repaid in installments over five years with a grace period of one year on the amount of each withdrawal, and an amount of 106.9 million riyals was withdrawn until 2020, and a promissory note guarantee was presented against obtaining the loan, in addition to signing the necessary bank documents.

•During the month of April 2021 G, the company terminated the agreement and paid the full amounts due.

Loan donor	Principal value of the loan	Repaid of the loan	Repaid during 2022G	Remainder of loan amount
Saudi National Bank loan (Formerly Samba Financial Group)	138.9 million Saudi riyals	-	33 million Saudi riyals	105.6 million Saudi riyals

Al Rabie Saudi Food Company signed a financial facility agreement in 2021 with Saudi National Bank in the amount of 150 million riyals to finance capital expenditures in order to modernize and replace production lines of its factories in Riyadh, and it is repaid in installments over five years with a grace period of six months on the amount of each withdrawal, and an amount of 138.9 million riyals was withdrawn until the year 2022 G, the outstanding balance of these contracts amounted to 105.6 million Saudi Riyals (31/12/2021 G 138.9 million Saudi Riyals), and a promissory note guarantee was provided in return for obtaining the loan, in addition to signing the necessary bank documents.

Al Rabie Saudi Food Company:



The company has also concluded short-term Islamic Murabaha facilities (Tawarruq) contracts with local banks in the Kingdom of Saudi Arabia that are repaid within a period of less than 12 months. The company pays financing charges according to the prevailing exchange rate between Saudi banks (SIBOR) plus a fixed commission rate. As of December 31, 2022 G, the outstanding balance of these contracts amounted to 50 million riyals, and these contracts are secured by a promissory note.

The total debt of the company and its subsidiaries:

The total indebtedness of the company and its subsidiaries, which consolidate their financial statements with it, including Murabaha loans, capital rent, accounts payable, liabilities and dividends payable in addition to the statutory provisions until the end of 2022 G, amounting to 1,352 million riyals, compared to 1226 million riyals in the previous year, as per to the table below:

Statement (in million riyals)	2022G	2021G
Murabaha financing and short-term loans	576	321
Current installments of Murabaha financing and long-term loans	108	127
Murabaha financing and long-term loans	84	229
Financial derivatives	18	1
The sum of the Murabaha, loans and capital lease	786	678
Payables and other accrued liabilities	356	301
Dividend payable	12	13
Provision for zakat, tax and deferred tax	57	68
Provision for employees' end-of-service benefits	94	112
Obligations under lease contracts	47	54
Gross Total	566	548
Total liabilities	1,352	1,226

Total of Regular Payments Due:

The company finalized its zakat status for the year ending on December 31, 2008 and obtained an Unrestricted Zakat Certificate for the aforementioned year. The company submitted its zakat returns for the years ending on December 31, 2009, until 2018 G, and obtained a Restricted Zakat Certificate for the mentioned years. The Authority issued the initial assessment regarding the zakat declarations submitted to it for the years from 2009 to 2018 G, according to which it claimed additional zakat differences in the amount of 180,105,610 Saudi riyals, and the company submitted an objection to the initial zakat assessment mentioned above. Accordingly, the Authority issued the revised zakat assessment, according to which claimed zakat difference from the company for the years from 2009 to 2018 G with a total amount of 96,885,968 Saudi riyals. The company's management believes that the Authority did not consider the zakat paid as per the zakat declarations submitted by the company, with a total amount of 26,534,285 Saudi riyals for the years ending on December 31, 2009, until 2014 G. The company followed up with the Authority to prove that the amounts have been paid, and the Authority included the above-mentioned amount in the company's account

with the Authority, so the zakat differences due on the company has become a total amount of 70,351,683 Saudi riyals instead of a total amount of 96,885,968 Saudi riyals, and the company has objected to the zakat assessment; accordingly, the objection was raised to the Committee for the Resolution of Tax Violations and Disputes. The company also submitted a settlement request to the Dispute Resolution Committee, and after studying the company's request, the Committee's apology for studying the settlement request has been received.

In 2021 G, a decision was issued by the Third Circuit for the Settlement of Tax Violations and Disputes, which accepted part of the objection clauses, and the due zakat differences became 58.9 million riyals.

The company and the Authority have appealed the above-mentioned decision of the Circuit to the Appeal Committee for Tax Violations and Disputes, and the First Appellate Department for Income Tax Violations and Disputes issued its decisions, and the due zakat differences amounted to 57.2 million riyals.

The company has submitted a petition to reconsider the decisions of the First Appeal Department for Income Tax Violations and Disputes, which is still under study by the Secretariat.

The company submitted its zakat decisions for the years ending December 31, 2019-2020, and obtained the unrestricted zakat certificate.

The authority issued the initial zakat assessment for these years, and the authority requested additional zakat differences with a total amount of 14,951,562 Saudi riyals, and the company submitted an objection to the initial zakat assessment mentioned above, and accordingly, the Authority issued an amended zakat assessment, according to which the company claimed zakat differences with a total amount of 5,109,586 Saudi riyals. And the company escalated its objection to the General Secretariat of the Zakat, Tax and Customs Committees.

The Third Department for Adjudication of Income Tax Violations and Disputes for the two years mentioned above issued its decisions by accepting the company's objection from a formal point of view and rejecting it from an objective point of view.

The company has appealed against two decisions of the Third Department to adjudicate income tax violations and disputes for the aforementioned years through the website of the General Secretariat of Zakat, Tax and Customs Committees, which is still under study by the Secretariat.

A consolidated zakat return was submitted to Sinad holding Company and its subsidiaries for the years ending on December 31, 2013, until 2021 G, which includes its entire subsidiaries, and the Restricted Zakat Certificate was obtained for the mentioned years.

The zakat provisions for the company and the subsidiaries whose financial statements are consolidated with it amounted to 41.2 million riyals during the fiscal year 2022 G, and zakat is paid after completing the procedures for submitting zakat returns to the Zakat and Customs Tax Authority.

Its subsidiary Halwani Brothers Company is also entitled to an income tax in the Arab Republic of Egypt amounting to 73.3 million riyals until the end of 2022 G on behalf of its subsidiary company in the Arab Republic of Egypt, Halwani Brothers Company (Egypt), in addition to a deferred income tax amounting to 0.2 million riyals at the end of the year, and it pays its taxes after submitting its tax returns in accordance with the Egyptian tax system.

In 2022 G, the company paid its payments of fees and other statutory dues on a regular basis.

The table below shows the value of the statutory payments due to the company and the subsidiaries whose financial statements are consolidated with it as at the end of 2022 G:

Statement (in thousand riyals)	2022		Brief description thereof	Statement of Reasons
	Payer	Due until the end of 2022 G and has not been paid		
Zakat	11,009	41,162	Paid or charged for the year in accordance with the provisions and regulations of the General Authority for Zakat and Tax in the KSA	Zakat shall be paid after completing the procedures for submitting Zakat Returns
Tax	405,399	73,287	Paid or charged for the year in accordance with the relevant provisions and regulations	The tax shall be paid after completing the procedures for submitting tax returns
General Organization for Social Insurance	15,480	1,346	Paid or charged to the year in accordance with the provisions and regulations of the General Organization for Social Insurance in the KSA	The amounts due will be paid during the year 2023 G according to the statutory period
Visa and Passport Costs	903	-	Paid during the year in accordance with the relevant provisions and regulations	-
Labor Office Fee	4,842	250	Paid during the year in accordance with the relevant provisions and regulations	-

The company explains that as a result of the opening of the Zakat assessments for previous years on subsidiary companies by the General Authority for Zakat and Income, resulted in claims for differences in the amount of SAR 3.2 million, and objections were submitted in this regard and were not recorded among the outstanding claims in the financial statements to consider the departments of the subsidiaries, and the Zakat advisor corrected their position on the objections.

Company's Dividends Policy:

The company shall comply with the governing and regulating policies to protect and maximize the interests of its shareholders in all respects, aiming for raising the value of their investments in the company in accordance with the company's approved dividend policy. The distribution of profits to shareholders in any period depends on the company's profits, its financial position, market conditions, the general economic climate, investment opportunity factors, the company's interests for reinvestment, cash and capital requirements, in addition to legal and regulatory considerations. Also, it cannot guarantee the distribution of profits for any year.

Any proposed dividends from the BOD shall require the approval of the General Assembly of Shareholders. According to the company's AOA, the company's annual net profits shall be distributed after deducting all general expenses and other costs and after setting aside the statutory and other reserves as follows:

- 1 Ten (10%) of the net profit shall be set aside to form a statutory reserve. Such allocations to the statutory reserve may be discontinued by the Ordinary General Assembly when the statutory reserve amounts to 30% of the paid-up capital.
- 2 The Ordinary General Assembly may, upon request of the BOD, set aside a percentage not exceeding (10%) of the annual net profits not to exceed 10% to form an additional reserve to be allocated towards one or more specific purposes.
- 3 The Ordinary General Assembly may resolve to form other reserves to the extent they serve the company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the shareholders. The said Assembly may also withhold certain amounts from the net profits for establishing social organizations for the company's employees, or for supporting any such existing organizations.
- 4 Upon the proposal of the BOD, the Ordinary General Assembly may distribute a percentage of no less than (5%) of the company's paid-up capital to the shareholders.
- 5 Considering the provisions stipulated in Article 21 (the Remuneration of BOD Members) of the company's AOA, and Article 76 of the Companies Law, after the above, a percentage not exceeding ten percent (10%) of the remaining shall be allocated to remuneration of the BOD members, provided that the entitlement to such remuneration shall be proportional to the number of sessions attended by the member.

The Company may also distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling regulatory requirements in this regard.

The eligibility to distribute dividends to the shareholders owning shares on the due date who are registered in the company's shareholders' register at the Securities Depository Center at the end of the second day of trading following the due date, in line with market rules and procedures for amending the time period for settling transactions of listed securities (T + 2), upon the Assembly approving the distribution of profits proposed by the BOD. The dividends to be distributed to the shareholders shall be paid within 15 working days from the due date of these dividends specified in the resolution of the General Assembly.

Dividends for previous years:

No dividends were distributed during 2017, 2018, 2019 ,2020, and 2021 G, where the BOD did not recommend during the year 2022 G the distribution of dividends to shareholders.

The interest in the class of voting shares:

The company was not informed during the fiscal year 2022 G of any rights, in the interest of the class of shares with eligibility to vote, belonging to persons (other than members of the BOD, senior executives and their relatives). No person has significant ownership in the company's shares except for Dalla Albaraka Holding, and the table below shows ownership and interest of Dalla Albaraka Holding Co. in the shares entitled to vote during 2022 G:



The Name	Number of Shares at the beginning of the year	Ownership% at the beginning of the year	Net Change during the year	Change Percentage during the year	Number of Shares Year End	Ownership Percentage at the end of the year
Dallah Al Baraka Holding Company	67,225,431	53.2%	-	-	67,225,431	53.2%
Saleh Abdullah Kamel	1,500,000	1.2%	-	-	1,500,000	1.2%
Total ownership and interest of Dalla Al Baraka Holding Company	68,725,431	54.4%	-	-	68,725,431	54.4%

Names of the members of the BOD, members of the committees and the Executive Management, their current and previous positions, qualifications and experience:

1

Members of BOD:



Abdulaziz Mohammed Abdo Yamani
(Chairman of BOD)
(Chairman of the Investment and Finance Committee)
Current Jobs:
Chief Executive Officer - Dallah Al Baraka Holding Company
Previous Jobs:
Executive Vice President - Dallah Al Baraka Holding Company

Qualifications and Experience:

Holds a bachelor's degree in Industrial Engineering from King Abdulaziz University. He started his career in 1995 G, where he held many leadership positions in a number of companies and memberships in the boards of directors of local and international companies in various sectors (commercial, industrial and agricultural investment, media, business and real estate investment).



Amr Mohamed Kamel
(Deputy Chairman of the Board)
(Member of the Nomination and Remuneration Committee)
Current Jobs:
Executive Vice President - Dallah Al Baraka Company
Previous Jobs:
Executive Director - Dallah Al-Baraka Central Company

Qualifications and Experience:

Holds a bachelor's degree in Business Administration - Financial Management from King Saud University - Kingdom of Saudi Arabia. He started his career in 2001 G, where he held many leadership positions in a number of companies and memberships in boards of directors and company committees in various sectors (commercial, investment, communications, real estate financing, and real estate investment).



Hussein Ali Shobokshi
(Member of the BOD)
(Member of the Remuneration and Nominations Committee)
(Member of the Investment and Finance Committee)
Current Jobs:
Chief Executive Officer - Shobokshi Development and Trade Company
Previous Jobs:
General Manager - Wariq Paper Trading Company
General Manager - Shobokshi Agencies Company

Qualifications and Experience:

General Manager holds a Bachelor of Arts in Political Science and Management from the University of Tulsa in the USA. He started his career in 1977 G, where he held many leadership positions in the Shobokshi group of companies, memberships of local and international companies' BOD, membership of press institutions, and participated in a number of local and international conferences as a speaker.



Suleiman Ibrahim Al-Hadithi
(Member of the BOD)
(Chairman of the Audit Committee)
Previous Jobs:
Managing Director and CEO - Saudi Research and Marketing Group (SRMG)

Qualifications and Experience:

Managing Director and CEO holds a bachelor's degree in Structural Engineering from Arizona State University in the USA. He started his career in 1982 G, where he held many positions in a number of companies and membership of BOD of companies in various sectors (printing, publishing, investment banks, investment companies, biotechnology, investment and real estate development).



Abdullah Ibrahim Al-Howaish
(Managing Director and CEO)
(Member of the Investment and Finance Committee)
Current Jobs:
Managing Director and CEO - Sinad Holding Company
Previous Jobs:
Managing Director - Amlak International Real Estate Finance Company

Qualifications and Experience:

Managing Director and CEO holds a bachelor's degree in Economics from King Abdulaziz University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and companies, and membership in BOD and committees of local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).



Mansour Abdulaziz Al-Busaili
(Member of the BOD)
(Chairman of the Remuneration and Nominations Committee)
Current Jobs:
Businessman
Previous Jobs:
Senior Director of Legal Affairs and General Secretary at The Saudi British Bank

Qualifications and Experience:

Member of the BOD holds a bachelor's degree in Law and Regulations from King Saud University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and membership of BOD and committees of companies in various sectors (banks, banking, finance, insurance, investment, transportation, trade and real estate investment).



Omar Abdullah Jafri
(Member of the BOD)
(Member of the Audit Committee)
Current Jobs:
Adviser to the Minister of Transport
Previous Jobs:
Senior Advisor to the General Manager - Saudi Airlines

Qualifications and Experience:

Member of the Audit Committee holds a Ph.D. in Marketing from the University of Alabama, a Master's in Business Administration and a Bachelor of Industrial Management from King Fahd University of Petroleum and Minerals. He started his career in 1990 G, where he held many leadership positions in a number of companies and membership of BOD and committees in local and international companies in various sectors (Air Transport and IT).



Faisal Mohammed Shaker
(Member of the BOD)
(Member of the Investment and Finance Committee)
Current Jobs:
CEO - Contemporary Food Company
Previous Jobs:
CEO and Head of Wealth and Investment Management - Audi Capital

Qualifications and Experience:

Mr. Faisal holds a master's degree in Economics from Old Dominion University - Norfolk in the USA, and a Bachelor of Business Administration - Marketing from King Saud University - KSA. He started his career in 1999 G, where he held many leadership positions in a number of banks, companies and board memberships, and corporate committees in different sectors (investment platform development and management, investment banking, asset management, wealth management, corporate banking, commercial banking, business development, pharmaceutical industry, food, investment and real estate development).



Saad Abdulaziz Al-Khalb
Membership started on 27/10/2022 G
Current Jobs:
Chief Executive Officer - Saudi Export and Import Bank
Previous Jobs:
President of the Saudi Ports Authority

Qualifications and Experience:

He holds a bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals in 1992 G - where he held many positions in a number of banks, companies and agencies in different sectors.

The Name

Abdullah Saleh Kamel
Membership ended on 26/10/2022G

Current Jobs

Chairman of the Board of Directors - Dallah Al Baraka Holding Company

Previous Jobs

Chief Executive Officer - Dallah Al Baraka Holding Company

Qualifications and Experience

He has university studies in economics from the University of Southern California in the United States of America. He started his working life in 1988 G, where he held many leadership positions in the Dallah Al-Baraka Group, and memberships in the boards of directors of local and international companies in various sectors (financial, investment, industrial, contracting, real estate, maintenance, operation, food, catering, and media). In addition to his membership in public benefit assemblies

2**Committee members from outside the BOD:****The Name**

Nasser Sohag Al Shaibani
(Member of the Audit Committee)

Current Jobs

Financial and Management Consultant

Previous Jobs

Lecturer at the Technical College in Riyadh

Qualifications and Experience

Mr. Nasser holds a master's degree in Accounting and Information Systems from the University of Denver, USA, and a bachelor's degree from King Saud University. He is a member of the Saudi Organization for Certified Public Accountants. He started his career in 1994 G and has experience in accounting, the application, implementation and analysis of financial systems, in preparing financial and administrative policies and procedures, corporate structuring and analyzing strengths and weaknesses of the financial system.

3**Executive Management :****The Name**

Abdullah Ibrahim Al-Howaish

Current Jobs

Managing Director and CEO

Previous Jobs

Managing Director - Amlak International Real Estate Finance Company

Qualifications and Experience

Managing Director and CEO holds a bachelor's degree in Economics from King Abdulaziz University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and companies, and membership in BOD and committees of local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).

The Name	Current Jobs	Previous Jobs	Qualifications and Experience
Abdul Hakim Abdul Rahman Al Shafei	Company Advisor	Advisors for a number of companies	Mr. Abdul Hakim holds a Certificate of Professional Board Membership from the Institute of Executive Directors and Accreditation of the International Finance Corporation (IFC), a Diploma in Corporate Governance from the Tulane University School of Law in the USA, a Certificate of Selling Practice and a Certificate of Marketing Practice from the Chartered Institute of Marketing in Britain, and a bachelor's degree in Statistics from Kuwait University. He has accumulated experience of more than 35 years and has held leadership positions in companies. He has also undertaken projects for the development of corporate governance, acquisitions and mergers, membership of BOD, and attending a number of courses, including administrative leadership, strategic management, crisis management, change and finance, and others.
Sami Abdel Salam Weheba	Chief Financial Officer	Deputy Regional Director of Corporate Finance - Banque Francaise	Mr. Sami holds a bachelor's degree in Business Administration from the University of Alexandria. He started his career in 1994 G, where he held many positions in a number of Saudi banks, where his expertise focused in financing large corporates. He also worked as committee member in local companies in the finance, insurance and investment sector, and began working in the company as the Executive Director of Finance from 1st of December 2021 G.
Ahmed Sanad Al Sanad	Chief Governance Officer	Director of Administration and Shareholders Affairs	Mr. Ahmed holds a master's degree in Financial Management from Al-Faisal Colleges, a bachelor's degree in International Business Administration from King Abdulaziz University, and holds the Certificate of Certified Compliance Officer from the Financial Institute (CCO), the Certificate of Conformity and Compliance of Combating Money Laundering and Terrorist Financing (CME2) and the General Certificate for Dealing in Securities (CME1). He started his career in 2003 G and worked in several departments of the company in which he held various positions until the position of Executive Director of Governance and Compliance.
Abdullah Ghanim	Chief Investment Officer	Senior Manager - House of national consulting Company	Mr. Abdullah holds a bachelor's degree in Financial Management from Prince Sultan University, and holds a Certificate of Conformity, Compliance, Anti-Money Laundering and Terrorist Financing (1 CME2 2) and General Certificate for Dealing in Securities (2 CME1 5) from the Financial Institute in KSA, and holds a Certificate of Financial Modeling and Evaluation Analyst (5 FMVA 3) from The Financial Institution of Canada (3 CFI 5). He started his career in 2006G in a consulting company licensed by the Capital Market Authority that provides investment banking services and held several positions until the position of senior manager, and began working in the company as an Investment Manager from September 2020 G.
Muhammad Ibrahim Muhammad Suleiman	Financial Controller	Senior Audit Manager - Ernst & Young & Co.	Mr. Muhammad holds a bachelor's degree in Commerce from Cairo University, a Fellow of the Association of Management Accountants in the USA, a Fellow of the Association of Chartered Accountants in New Hampshire, USA. He started his working life in 2004 G and worked in the field of auditing at Ernst & Young and Deloitte, in which he held various positions until the position of Senior Manager and started working in the company as Financial Controller from July 2016.

Current and Previous Membership of the BOD Inside and Outside the Kingdom:

During 2022 G, some members of the company's BOD took over the membership of BOD in other companies, as follows:

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Abdulaziz Mohammed Abdo Yamani	Halawani Brothers Company (Listed Joint-Stock Company) - KSA	Dallah Doyle Bitumen Company (Limited Liability) - KSA
	Itqan Capital Company (Unlisted Joint-Stock Company) - KSA	Food Services Group Company (Unlisted Joint-Stock Company) - KSA
	Dallah Al Baraka Investment Holding Company (Unlisted Joint-Stock Company) - KSA	Al Rabie Saudi Food Company (Limited Liability) - KSA
	Dallah Al Baraka Holding Company (Unlisted Joint-Stock Company) - KSA	Textile and Garment Company (Limited Liability) - KSA
	Foras International Investment Company (under liquidation) (Unlisted Joint-Stock Company) - KSA	National Petrochemical Industries Company (Unlisted Joint-Stock Company) - KSA
	Al Thuraya Urban Real Estate Company (Limited Liability) - KSA	The Basic Arab Company for Developed Industries (Limited Liability) - KSA
	Jood Al-Hilli Trading Co. Ltd. (Limited Liability) - KSA	Saudi Swicorp (Unlisted Joint-Stock Company) - KSA
	Dallah Technology and Alternative Energy Company (Limited Liability) - KSA	Saudi Foras Company (Unlisted Joint-Stock Company) - KSA
	Dallah Trading Company (Limited Liability) - KSA	The Arab Badge Company (Limited Liability) - KSA
	Food Makers Company (Limited Liability) - KSA	Alujain Company (Listed Joint-Stock Company) - KSA
	Biscuit International Company (Limited Liability) - KSA	Investor Securities Company (Unlisted Joint-Stock Company) - KSA
	Al-Manakhah Urban Development Project Company (Unlisted Joint-Stock Company) - KSA	Al-Samaha Trading Company (Limited Liability) - KSA
	Benefit Sharing Real Estate Company (Limited Liability) - KSA	UMM AL QURA FOR DEVELOPMENT & CONSTRUCTION Company (Unlisted Joint-Stock Company) - KSA
	Borouge First Investment Company (Limited Liability) - KSA	Waj Development and Investment Company Limited (Limited Liability) - KSA
	Emam Modern Real Estate Company (Limited Liability) - KSA	House of Tawfiq Development Company (Limited Liability) - KSA
	Maad International Company (Limited Liability) - KSA	Dallah Industrial Investment Company (Limited Liability) - KSA
	Dallah Al Baraka Holding Company (Unlisted Joint-Stock Company) - Bahrain	The Arab Agricultural Investment Company (Unlisted Joint-Stock Company) - KSA
	GODIVA INVESTMENT (GDV) (UL EGYPT B.T) (Private Limited Company) - Britain	Al-Tawfiq Company for Financial Leasing (Unlisted Joint-Stock Company) - Egypt
	UI Egypt (private Co. With Limited) – Egypt	Arabian Company for Real Estate and Tourism Investment (Unlisted Joint-Stock Company) - Egypt
	Arab Moltaqa Investments Company (Listed Joint-Stock Company) - Egypt	Al-Tawfeek Asset Leasing Company for Small and Medium Enterprises (Unlisted Joint-Stock Company) - Egypt
	Saudi Tourist Cities Company (limited liability) - Saudi Arabia	Egyptian Saudi Finance Bank (Unlisted Joint-Stock Company) - Egypt
	Al Baraka Bank (Listed Joint-Stock Company) - Egypt	Al-Tawfeek Financial Group (under liquidation) (Unlisted Joint-Stock Company) - Egypt

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Abdulaziz Mohammed Abdo Yamani	Al-Tawfiq Company for Tawarruq (Unlisted Joint-Stock Company) - Egypt	Tunisian Company for the Development of the Milk Industry (SOTUDIL) (Limited Liability) - Cayman
	Al Baraka Financial Investments Company (Unlisted Joint-Stock Company) - Egypt	Al Sawary Investment Company Limited (OFFSHORE) (Limited Liability) - Cayman
	Ismailia Misr Poultry Company (Listed Joint-Stock Company) - Egypt	Al Kawamil Trading and Contracting Company (OFFSHORE) (Limited Liability) - Cayman
	Dallah For Real Estate Investments (Unlisted Joint-Stock Company) - Egypt	Supply Company for Electrical Works (OFFSHORE) (Limited Liability) - Cayman
	Almaza Real Estate Development Company (Unlisted Joint-Stock Company) - Egypt	Dallah Al Baraka Real Estate Investment Company (Unlisted Joint-Stock Company) - Egypt
	Simla and Al-Rum Urban Development Company (Unlisted Joint Stock Company) - Egypt	Dallah Al Baraka Financial Investment Company (Unlisted Joint-Stock Company) - Egypt
	New Ismailia Company for Urban Development and Development (Listed Joint-Stock Company) - Egypt	
	Helwan Brothers Company (Unlisted Joint-Stock Company) - Egypt	
	Dallah International Holding Company (Unlisted Joint-Stock Company) - Egypt	
	The Arab Company for Technology Investments and Development (Unlisted Joint-Stock Company) - Egypt	
	Simla Company for Hotels and Tourist Resorts (Costa de Simla) (Unlisted Joint-Stock Company) - Egypt	
	Al Mushrif Company (Unlisted Joint-Stock Company) - Lebanon	
	Al Mushrif Club Company (Unlisted Joint-Stock Company) - Lebanon	
	Al-Tawfiq Company for Development and Investment - Adecco (Unlisted Joint-Stock Company) - Lebanon	
	Saden Holding Company (Limited Liability) - Lebanon	
	House of Tawfiq Development Holding (Unlisted Joint-Stock Company) - Bahrain	
	Al-Tawfiq Company for Investment Funds (Unlisted Joint-Stock Company) - Cayman	
	Al Baraka Financial Investments Company (unlisted joint stock) - outside Saudi Arabia	
	Dallah Health Services Company (Listed Joint-Stock Company) - KSA	Al Khozama Management Company (Unlisted Joint-Stock Company) - KSA
	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	Maad International Company for Reconstruction and Development (Limited Liability) - KSA
Amr Mohamed Kamel		Etihad Shams Company (Limited Liability) - KSA
		Bee'ah International Company (Limited Liability) - KSA
Hussein Ali Shobokshi	Shobokshi Development and Trade Company (Limited Liability) - KSA	
	Naeem Holding Company for Investment (Listed Joint-Stock Company) - Egypt	

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Suleiman Ibrahim Al-Hadithi	Saudi Company for Private Laboratories (Unlisted Joint-Stock Company) - KSA	Saudi Research and Marketing Group (Listed Joint-Stock Company) - KSA
	Najmat Al-Madaen Group Company (Unlisted Joint-Stock Company) - KSA	Saudi Printing and Packaging Company (Listed Joint-Stock Company) - KSA
		Venture Capital Investment Company (Unlisted Joint Stock Company) - KSA
Abdullah Ibrahim Al-Howaish	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	Standard Chartered Capital KSA Company (Unlisted Joint-Stock Company) - KSA
	Halawani Brothers Company (Listed Joint-Stock Company) - KSA	Standard Chartered Capital KSA Company (Unlisted Joint-Stock Company) - KSA
	Emaar, The Economic City Company (Listed Joint-Stock Company) - KSA	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA
	Alissa Industries Company (Unlisted Joint-Stock Company) - KSA	Al-Amad Saudi Company for Airport Services and Transportation Support (Unlisted Joint-Stock Company) - KSA
	SEDCO Capital Company ((Unlisted Joint-Stock Company) - KSA	
	Halawani Brothers Company (Unlisted Joint-Stock Company) - Egypt	Riyadh Airports Company (Unlisted Joint-Stock Company) - KSA
	Al Rabie Saudi Food Company (Limited Liability) - KSA	SABB Takaful Company (Listed Joint-Stock Company) - KSA
		Al-Tawfeek Financial Group (currently Itqan Capital Company) (Unlisted Joint-Stock Company) - KSA
		Fawaz Abdulaziz Al Hokair & Partners Company (Listed Joint-Stock Company) - KSA
		The Saudi Credit Bureau (SIMAH) (Unlisted Joint-Stock Company) - KSA
		Al-Ettifaq Steel Industries Company (Unlisted Joint-Stock Company) - KSA
		Al Khozama Management Company (Unlisted Joint-Stock Company) - KSA
Mansour Abdulaziz Al-Busaili	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA	Saudi Cooperative Reinsurance Company (Re) (Listed Joint-Stock Company) - KSA
	United Electronics Company (Listed Joint-Stock Company) - KSA	SABB Takaful Company (Listed Joint-Stock Company) - KSA
	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	Jabal Omar Development Company (Listed Joint-Stock Company) - KSA
	Arabian Jazz Services Company (Unlisted Joint-Stock Company) - KSA	HSBC KSA (Unlisted Joint-Stock Company) - KSA
		Saudi White Cement Company (unlisted joint stock) - Saudi Arabia
Omar Abdullah Jafri	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA	National Air Services Company (NAS) (Unlisted Joint-Stock Company) - KSA
	SITA International Company (Unlisted Joint-Stock Company) - Belgium	
	Yemen Airways Company (Governmental Joint-Venture Company) - Yemen	

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Faisal Mohammed Shaker	Saudi Company for Pharmaceutical Industries and Medical Appliances (Listed Joint-Stock Company) - KSA	Falcon Plastic Products Company (Limited Liability) - KSA
	Abdul Mohsen Al Hokair Group for Tourism and Development (Listed Joint-Stock Company) - KSA	Arak Company (Limited Liability) - KSA Spimaco Company (Unlisted Joint-Stock Company) - Egypt
	Modern Food Company Limited (Limited Liability) - KSA	SPIMACO (Unlisted Joint-Stock Company) - Morocco
	National Bank of Kuwait Company (Unlisted Joint-Stock Company) - KSA	SPIMACO (Unlisted Joint-Stock Company) - Egypt
	Al-Qassim Medical Services Company (Unlisted Joint-Stock Company) - KSA	
Saad Abdulaziz Al-Khalb Membership started on 10/27/2022 G	The Saudi British Bank (listed joint stock) - Saudi Arabia	
	The Saudi Company for Electronic Information Exchange (Tabadul) (unlisted joint stock) - Saudi Arabia	
	Saudi Export Development Authority "Saudi Exports" Saudi Arabia	
	United Company for Financial Services "Tasheel Finance" (unlisted joint stock) - Saudi Arabia	
Abdullah Saleh Kamel Membership ended on 10/26/2022 G	UMM AL QURA FOR DEVELOPMENT & CONSTRUC- TION Company (Unlisted Joint-Stock Company) - KSA	Bank Aljazira (Listed Joint-Stock Company) - KSA
	Al Baraka Banking Group (Listed Joint-Stock Company) - Bahrain	Amlak International Real Estate Finance Company (Unlisted Joint-Stock Company) -KSA
	Dallah Al Baraka Holding Company BSC (Unlisted Joint-Stock Company) - Bahrain	Halawani Brothers Company (Listed Joint Stock Company) -KSA
	Dallah International Holding Company (Unlisted Joint-Stock Company) - Egypt	Saudi Research and Marketing Group (Listed Joint-Stock Company) -KSA
	Almaza Real Estate Development Company (Unlisted Joint-Stock Company) - Egypt	Al-Tawfeek Financial Group Company (Unlisted Joint-Stock Company) - KSA
	Dallah For Real Estate Investments (Unlisted Joint-Stock Company) - Egypt	Simla and Al-Rum Urban Development Company (Unlisted Joint-Stock Company) - Egypt
		Simla Company for Hotels and Tourist Resorts (Unlisted Joint-Stock Company) - Egypt
		Bait Al Tawfiq Development Holding Company (Unlisted Joint-Stock Company) - Bahrain
		Emaar, The Economic City Company (Listed Joint-Stock Company) - KSA

During 2022 G, no member of the BOD has membership in the boards of more than five listed joint-stock companies.

Composition of the BOD and Classification of Membership:

The company's BOD consists of nine members in accordance with the company's AOA. The membership of the Board of Directors for the previous session ended on 10/26/2022 G. The 52nd Extraordinary General Assembly, held on October 19, 2022 G, appointed the members of the Board of directors for the new session, which starts from the date of 10/27/2022 G, and for a period of three Gregorian years. The General Assembly elected nine members of the Board from among (26) candidates applying for membership, and the Board of Directors decided to appoint a Chairman, Vice-Chairman and Managing Director. Accordingly, the Board consists of eight non-executive members, including four independent members in addition to an executive member.

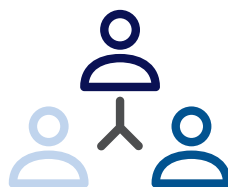
The table below shows the composition of the BOD and the classification of membership from 01/01/2022 G until the end of the Board of Directors session on 26/10/2022G:

BOD Member's Name	Position on the BODPosition on the BOD	Membership Rating
Abdullah Saleh Kamel	Chairman of BOD	Non-executive
Abdul Aziz Mohammed Abdo Yamani	Deputy Chairman of the Board	Non-executive
Hussein Ali Shobokshi	Member of the BOD	Non-executive
Suleiman Ibrahim Al-Hadithi	Member of the BOD	Non-executive
Abdullah Ibrahim Al-Howaish	Managing Director of the BOD	Executive
Mansour Abdulaziz Al-Busaili	Member of the BOD	Independent
Omar Abdullah Jafri	Member of the BOD	Independent
Faisal Mohammed Shaker	Member of the BOD	Independent
Amr Mohamed Kamel	Member of the BOD	Non-executive

The table below shows the composition of the Council and the classification of membership from the beginning of the new Council term on 10/27/2022 G until the end of the year 2022 G:

BOD Member's Name	Position on the BOD	Membership Rating
Abdul Aziz Mohammed Abdo Yamani	Chairman of the Board	Non-executive
Amr Mohamed Kamel	Vice Chairman of the Board	Non-executive
Hussein Ali Shobokshi	Member of the BOD	Non-executive
Suleiman Ibrahim Al-Hadithi	Member of the BOD	Non-executive
Abdullah Ibrahim Al-Howaish	Managing Director of the BOD	Executive
Mansour Abdulaziz Al-Busaili	Member of the BOD	Independent
Omar Abdullah Jafri	Member of the BOD	Independent
Faisal Mohammed Shaker	Member of the BOD	Independent
Saad Abdulaziz Al-Khalb	Member of the BOD	Independent

Board meetings and members' attendance record during 2022 G:



The BOD of the company held five meetings during the fiscal year 2022 G. In addition, the BOD issued a number of passing decisions in the periods between the dates of its meetings during the year 2022 G, according to the needs and requirements of the company, especially decisions to approve the quarterly and annual financial statements, after studying the Audit Committee and submitting its recommendations to the Board. The record of the BOD's meetings during 2022 G was as follows:

Attendance record for board meetings 2021' attendance record during 2022 G:

BOD Member's Name	Meeting times					Attendance number of meetings
	First Meeting 08/03/2022	Second Meeting 27/03/2022	Second Meeting 28/09/2022	Fourth Meeting 30/10/2022	Fifth Meeting 25/12/2022	
Abdullah Saleh Kamel	✓	✓	✗	His membership ended with the end of the council session on 10/26/2022 G		3/3
Abdul Aziz Mohammed Abdo Yamani	✓	✓	✗	✓	✓	4/5
Hussein Ali Shobokshi	✓	✓	✓	✓	✓	5/5
Suleiman Ibrahim Al-Hadithi	✓	✓	✗	✓	✓	4/5
Abdullah Ibrahim Al-Howaish	✓	✓	✓	✓	✓	5/5
Mansour Abdulaziz Al-Busaili	✓	✓	✓	✓	✓	5/5
Omar Abdullah Jafri	✓	✓	✓	✓	✓	5/5
Faisal Mohammed Shaker	✓	✓	✓	✓	✓	5/5
Amr Mohamed Kamel	✓	✓	✓	✓	✓	5/5
Saad Abdulaziz Al-Khalb	He was elected to the Board of Directors by the Ordinary General Assembly held on 10/19/2022 G for the new session that begins on 10/27/2022 G			✓	✓	2/2

*Date of the last meeting of the General Assembly on 19/10/2022 G

Board meetings and the Number of Board meetings and attendance of Board members during the Board session:

During the previous session that ended on 10/26/2022 G, the Board of Directors held (12) meetings, and during the current session that started on 10/27/2022 G, it held (2) meetings. The table below shows the attendance of the Board members for its meetings during the previous and current session:



BOD Member's Name	The (15th) session of the BOD started from October 27, 2019 G and ends on October 26, 2022 G			Session (16) of the Board of Directors It started on 10/27/2022 G and ends on 10/26/2025 G		
	Number of Meetings	The Attendance	Attendance rate	Number of Meetings	The Attendance	Attendance rate
Abdullah Saleh Kamel	12	11	92%	His membership ended with the end of the council session on 10/26/2022 G		
Abdul Aziz Mohammed Abdo Yamani	12	10	83%	2	2	100%
Hussein Ali Shobokshi	12	12	100%	2	2	100%
Suleiman Ibrahim Al-Hadithi	12	11	92%	2	2	100%
Abdullah Ibrahim Al-Howaish	12	12	100%	2	2	100%
Mansour Abdulaziz Al-Busaili	12	12	100%	2	2	100%
Omar Abdullah Jafri	12	11	92%	2	2	100%
Faisal Mohammed Shaker	12	12	100%	2	2	100%
Amr Mohamed Kamel	12	12	100%	2	2	100%
Saad Abdulaziz Al-Khalb	He was elected to the Board of Directors by the Ordinary General Assembly held on 10/19/2022 G for the new session that begins on 10/27/2022 G			2	2	100%

Main Company Committees:

Within the framework of the company's governance rules and based on the needs, circumstances and nature of the company's business, the BOD formed three main committees with the aim of assisting the board in performing its tasks and responsibilities and conducting its business effectively and raising the level of supervision, control and decision-making controls in the company. These committees are the Audit Committee, the Remuneration and Nominations Committee, and the Investment and Finance Committee. The BOD supervise their work, and the committees present the results of their work and recommendations to the Board on a regular basis. The competencies, tasks, composition, chairmen and members of the Committees, the number of their meetings, the dates of their meetings, and the attendance data of members for each meeting during 2022 G, are summarized as follows:



Audit Committee



Remuneration and Nominations Committee



Investment and Finance Committee

Audit Committee:

The General Assembly (46) held on December 31, 2017 approved the work regulation of the Audit Committee, which includes the formation of the Committee, its tasks, controls for its work, and the remuneration of its members in accordance with the Corporate Governance Regulations. The tasks of the Committee include in particular those set out below, in addition to any other tasks and responsibilities assigned thereto by the BOD:

First : Financial Reports:

1. To study the company's initial and annual financial statements before submitting them to the BOD and expressing its opinion and recommendation in regard; in order to ensure their integrity, fairness and transparency.
2. To express a technical opinion - at the request of the BOD - on whether the Board's report and the company's financial statements are fair, balanced, and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
3. To study any important or unfamiliar issues contained in the financial reports.
4. To research thoroughly any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.
5. To verify the accounting estimates in the material issues contained in the financial reports.
6. To study the accounting policies followed in the company and expressing an opinion and recommendation to the BOD in this regard.

Second : Internal Audit:

1. To study and audit the company's internal and financial control and risk management systems.
2. To study internal audit reports and following up on the execution of corrective actions for the notes contained therein.
3. To monitor and supervise the performance and activities of the internal auditor or (the internal audit department in the company - if any -); to verify the availability of the necessary resources and their effectiveness in performing the tasks assigned thereto. If the company does not have an internal auditor, the committee shall submit its recommendation to the Board regarding the need for its appointment.
4. To recommend to the BOD the appointment of the director of the internal audit unit or department or the internal auditor and suggesting his remuneration.
5. The committee shall meet periodically with the company's internal auditor at least twice a year.

Third : External Auditor:

1. To recommend the BOD to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. To verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
3. To review the company's auditor plan and work, and verify that the auditor has not submitted technical or administrative works that are outside the scope of audit work, and provide its views in this regard.
4. To answer the company's auditor's inquiries.
5. To study the auditor's report and notes on the financial statements and follow up on what was taken in their regard.
6. The committee shall meet periodically with the company's auditor at least twice a year.

Fourth : Compliance:

1. To review the results of the reports of the supervisory authorities and verify that the company has taken the necessary measures in this regard.
2. To verify the company's compliance with relevant laws, regulations, policies and instructions.
3. To review the contracts and transactions proposed to be conducted by the company with related parties, and present its views in this regard to the BOD.
4. To raise the issues it deems necessary to take action on to the BOD, and make recommendations for the actions to be taken.

The Audit Committee was formed for the previous session, which ended on 10/26/2022 G by a decision of the company's 14th Extraordinary General Assembly held on 10/23/2019 for a period of three years starting from the beginning of the BOD session on 10/27/2019, it was made up of three non-executive members of the BOD: Engineer Suleiman Ibrahim Al-Hadithi, Chairman of the Committee, who is a non-executive member of the Board of Directors, Dr. Omar Abdullah Jafri, who is an independent member of the BOD, and Mr. Nasser Sahaj Al-Shaibani, an independent external member specialized in financial and accounting affairs.

The Audit Committee was formed for the new session by a decision of the fifty-second Ordinary General Assembly of the company, which was held on 10/19/2022 G, for a period of three years, starting from the beginning of the Board of Directors session on 10/27/2022 G, and it is composed of three members who are not members of the Executive Board of Directors, and they are Eng. Suleiman Ibrahim Al-Hadithi, Chairman of the Committee, who is a non-executive member of the Board of Directors, and the membership of Dr. Omar Abdullah Jafri, who is an independent member of the Board of Directors, and Mr. Nasser Sahaj Al-Shaibani, who is an independent external member specializing in financial and accounting affairs.

The following is a table showing the chairman and members of the committee, the number of its meetings, the dates of their meetings, and the attendance data of members for each meeting during 2022 G, as follows:

The Name	Membership Nature		The Committee exercised its functions by conducting (4) meetings during 2022 G			
	Previous Session	New Session	First Meeting 24/03/2022	Second Meeting 19/05/2022	Third Meeting 21/08/2022	Fourth Meeting 03/11/2022
Suleiman Ibrahim Al-Hadithi	Chairman	Chairman				
Omar Abdullah Jafri	Member	Member				
Nasser Sohag Al Shaibani	* Member	* Member				

* An independent external member specialized in financial and accounting affairs.

Remuneration and Nominations Committee:

In line with the Corporate Governance Regulations, the BOD decided to merge the Remuneration and Nomination Committees into one committee under the name of the Remuneration and Nominations Committee. It undertakes all the competencies and tasks of the remuneration and nomination committees mentioned in the Corporate Governance Regulations. Accordingly, the General Assembly (46) held on December 31, 2017 approved the work regulations for the Remuneration and Nominations Committee, which include the formation of the Committee, its tasks, controls for its work, and the remunerations of its members in accordance with the Corporate Governance Regulations. The Remuneration and Nominations Committee shall be responsible for the tasks related to the remuneration of members of the Board and its committees, the remuneration of the Executive Management and nominations for membership of the Board and the Executive Management as shown below, in addition to any other tasks and responsibilities assigned there to by the BOD:

First: Regarding the Company's Remunerations:

1. To prepare a clear policy for remuneration and submitting it to the BOD for consideration in preparation for approval by the company's General Assembly, provided that this policy includes:
 - a. Board member remuneration.
 - b. Remuneration of committees emanating from the BOD.
 - c. Executive Management remuneration.

Provided that, in this policy, consideration should be given to following performance-related standards, disclosing, and verifying their implementation.

2. To clarify the relationship between the remuneration granted and the applicable remuneration policy, and indicate any material deviation from this policy.
3. To periodically review the remuneration policy, and evaluate its effectiveness in achieving its objectives.
4. To recommend to the BOD, in accordance with the policy approved by the association, the following:
 - a. Board member remuneration.
 - b. Remuneration of committees emanating from the BOD.
 - c. Senior executive remuneration.










Secondly: With regard to nominations for membership of the BOD and Executive BOD:

The competencies of the Committee with regard to nominations shall be as follows:

1. To propose clear policies and criteria for membership in the BOD and the Executive Management.
2. To recommend the BOD to nominate and re-nominate its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
3. To prepare a description of the capabilities and qualifications required for membership in the BOD, and file Executive Management positions.
4. To determine the time that the member should allocate for the work of the BOD.
5. To review annually the necessary needs for skills or appropriate expertise for membership of the BOD and Executive Management functions.
6. To review the structure of the BOD and the Executive Management and making recommendations that can be made.
7. To verify annually the independence of the independent members, and the absence of any conflict of interest if the member is a member of the BOD of another company.
8. To develop job descriptions for executive members, non-executive members, independent members, and senior executives.
9. To establish special procedures in the event of a vacancy in the position of a member of the BOD or senior executives.
10. To Identify weaknesses and strengths in the BOD, and proposing solutions to address them in line with the company's interest.

The formation of the Remuneration and Nominations Committee for the previous session, which ended on 10/26/2022 G, consisted of three members of the Board of Directors, and they are Mr. Mansour Abdulaziz Al-Busaili, Chairman of the Committee, and he is an independent member of the Board of Directors, and membership of Mr. Hussein Ali Shobokshi and Mr. Amr Mohamed Kamel, who are non-executive members of the Board of Directors. The Remuneration and Nominations Committee was reconfigured by a decision of the BOD for a period of three years, starting from the beginning of the Board's term on October 27, 2022 G. It is made up of three non-executive members of the BOD, namely, Mr. Mansour Abdulaziz Al-Busaili as the Chairman of the Committee, who is an independent BOD member, and the membership of Mr. Hussein Ali Shobokshi and Mr. Amr Muhammad Kamel, who are non-executive members of the BOD.

The following is a table showing the Chairman and members of the Committee, the description and nature of membership, the number of its meetings, the dates of their meetings, and the attendance data of members for each meeting during the year 2022 G, as follows:

The Name	Membership Nature		The Committee exercised its functions by conducting (3) meetings during 2022 G		
	Previous Session	New Session	First Meeting 03/02/2022	Second Meeting 14/04/2022	Third Meeting 08/09/2022
Mansour Abdulaziz Al-Busaili	Chairman	Chairman			
Hussein Ali Shobokshi	Member	Member			
Amr Mohamed Kamel	Member	Member			

Investment and Finance Committee:

In its meeting on 08/11/2020 G, the BOD approved the work of the Investment and Finance Committee, which includes the formation of the Committee, its tasks, controls for its work, and the remuneration of its members, in order to assist the BOD in performing its duties and executing its responsibilities related to the terms of reference, tasks and responsibilities below, in addition to any other tasks and responsibilities assigned thereto by the BOD.

Functions, tasks and responsibilities of the Investment and Finance Committee:

- To develop investment strategies and policies, review them periodically, and submitting recommendations thereon to the BOD.
- To direct credits and investments according to the powers delegated to the Committee by the BOD.
- To study new investment opportunities and submitting recommendations to the BOD.
- To study the performance of investments and periodically evaluate them and submit recommendations in their regard to the BOD.
- To supervise and control the implementation of investment policies, strategies and projects, and submit recommendations to the BOD.
- To study and evaluate the investment opportunities proposed by the management in relation to the following transactions, and recommending them:
 - Mergers or acquisitions of companies
 - Exit or sell any of the company's investments, or transferring its ownership, and other forms of disposing of investments.
 - To study new investment opportunities and submitting recommendations to the BOD.
 - To study the funding sources necessary for the various investments offered to the company or recommended by management
- To ensure that the administrative and financial procedures in relation to the management of the company's investments are in line with legal requirements and administrative controls.
- To suggest, study and review the appropriate financing structure for the company, and its proportionality with the volume of existing and upcoming investments the company will have, and submit recommendations in this regard to the BOD.
- To approve and contract loans, agencies, banking facilities, and bills of exchange, within the limits of what is authorized by the company's BOD.
- To assign and define the scope and fees of the financial advisory offices, to carry out acquisitions, mergers, or sale of investments and the like.
- The Committee may recommend to the BOD to delegate some of its tasks and powers to the Executive Management. To prepare periodic and annual reports on the work of the Committee, and the annual disclosure report, and submit them to the BOD.

The Investment and Finance Committee was formed for the previous session by a decision of the BOD for a period of three years, starting from the beginning of the Board's term on 27/10/2019 G. It is made up of four members of the BOD, they are Eng. Abdulaziz Muhammad Abdo Yamani, Chairman of the Committee, who is a non-executive member of the BOD, the membership of Mr. Hussain Ali Shobokshi, who is a non-executive member of the BOD, the membership of Mr. Abdullah Ibrahim Al-Howaish, who is an executive member of the BOD, and the membership of Mr. Faisal Mohamed Shaker, who is an independent member of the BOD.

The committee was reconfigured for the new session of the Board, which started on 10/27/2022 G, by a decision of the Board of Directors, for a period of three years, starting from the beginning of the Board session on 10/27/2022 G, it is made up of five members of the Board of Directors, and they are Eng. Abdulaziz Yamani, Chairman of the Committee, who is a non-executive member of the Board of Directors, and the membership of Mr. Hussein Ali Shobokshi, who is a non-executive member of the Board of Directors, membership of Mr. Abdullah Ibrahim Al-Howaish, who is an executive member of the Board of Directors, the membership of Mr. Faisal Muhammad Shaker, who is an independent member of the Board of Directors, and the membership of Mr. Mansour Al-Busaili, who is an independent member of the Board of Directors.

The following is a table showing the Chairman and members of the Committee, the description and nature of membership, the number of its meetings, the dates of their meetings, and the attendance data of members for each meeting' during the year 2022 G, as follows:

The Name	Membership Nature		The Committee exercised its functions by conducting (5) meetings during 2022 G				
	Previous Session	New Session	First Meeting 08/02/2022	Second Meeting 25/05/2022	Third Meeting 20/06/2022	Fourth Meeting 11/09/2022	Fifth Meeting 08/12/2022
Abdulaziz Mohammed Abdo Yamani	Chairman	Chairman	✓	✓	✓	✓	✓
Hussein Ali Shobokshi	Member	Member	✓	✓	✓	✓	✓
Abdullah Ibrahim Al-Howaish	Member	Member	✓	✓	✓	✓	✓
Faisal Mohammed Shaker	Member	Member	✓	✓	✓	✓	✓
Mansour Abdulaziz Al-Busaili (1)	-	Member					✓

(1) He was appointed as a member of the committee after the Board's decision to reconfigure the committee for the new session of the Board of Directors, which started from 10/27/2022 G.

Interest of Board Members and Senior Executives in the Company's Shares and its Subsidiaries:

Interest in the Company's Shares:

The table below shows the interest of the board members in the company's shares during the fiscal year 2022 G. there is no interest for their relatives (spouses and minor children) in the shares of the company or its subsidiaries. Also, there is no interest for any of the senior executives and their relatives in the company's shares or its subsidiaries, and there are no debt instruments of the company or its subsidiaries.

The name of the user who has the interest	At the beginning of the year		Year End		Net change in the number of shares	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Abdullah Saleh Kamel (1)	67,903,932	-	67,903,932	-	-	-
Abdulaziz Mohammed Abdo Yamani	2.022	-	822	-	(1.200)	59%
Hussein Ali Shobokshi	1.000	-	1.000	-	-	-
Suleiman Ibrahim Al-Hadithi	1.000	-	1.000	-	-	-
Abdullah Ibrahim Al-Howaish	100	-	100	-	-	-
Mansour Abdulaziz Al-Busaili	1.000	-	1.000	-	-	-
Omar Abdullah Jafri	50	-	50	-	-	-
Faisal Mohammed Shaker	258	-	258	-	-	-
Amr Mohamed Kamel	1.000	-	1.000	-	-	-
Saad Abdulaziz Al-Khalb(2)	3.000	-	3.000	-	-	-

(1) A number of 67,225,431 shares owned by Dallah Al Baraka Holding Company have been added for the indirect interest of Mr. Abdullah Saleh Kamel to his administrative control of Dallah Al Baraka Holding Company, in addition to the 678,501 shares he directly owns, which are 678,501 shares, and membership of Mr. Abdullah Saleh Kamel ended with the end of the Board of Directors session on 10/26/2022 G.

(2) Membership of Eng. Saad Abdulaziz Al-Khalb started from the beginning of the new Board of Directors session on 10/27/2022 G.

Interest in Shares of Subsidiaries:

Halawani Brothers Company:



The table below shows the interest of some members of the BOD in the shares of Halawani Brothers Company (Listed Joint-Stock Company) affiliated to the company through Aseer Arabian Industrial Investment Ltd., wholly owned by the company during the fiscal year 2022 G as follows:

The name of the user who has the interest	At the beginning of the year		Year End		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Abdullah Saleh Kamel	1,237	-	1,237	-	-	-
Abdulaziz Mohammed Abdo Yamani	1,237	-	1,237	-	-	-
Abdullah Ibrahim Al-Howaish	112	-	112	-	-	-

Al Rabie Saudi Food Company:

There is no interest for the members of the Board of Directors in the shares of Al-Rabie Saudi Food Company, which is 57.3% owned by the company during the fiscal year 2022 G.

Alissa Industries Company:

There is no interest for the members of the BOD in the shares of Al-Issa Industries Company, owned by 38% of the company during the fiscal year 2022 G.

Remuneration of Board Members, Sub-Committees and Executive Management:

The (50th) Ordinary General Assembly held on 05/30/2021 G approved the remuneration policy for members of the BOD, the sub-committees and the Executive Management, which aims to define clear criteria for the remuneration of the members of the BOD and the committees emanating from the Board and senior executives of the company in light of the requirements of the Companies Law and the regulations and regulations of the Market Authority. The policy also aims to attract individuals with a degree of competence, ability and talent to work on the BOD, committees, and Executive Management by adopting incentive plans and programs for remunerations that are linked to performance, which contributes to improving the company's performance and achieving the interests of its shareholders.

First : Remuneration of the Board Members:

1. According to Article (21) of the company's Articles of Association, the remuneration of the members of the Board shall be a certain amount or attendance allowance for the sessions, or benefits in kind, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits, in accordance with the provisions contained in the Companies Law, the Corporate Governance Regulations, and the rules and standards set by the Capital Market Authority in this regard.
2. If the remuneration is defined percentage of the company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the Company's AOA, and after distributing the profit to shareholders of no less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus shall proportional to the number of sessions attended by the member, and any estimate otherwise shall be null and void.
3. The remuneration of the Chairman of the BOD shall be SAR 350,000 annually, and the remuneration of a member of the BOD shall be SAR 250,000 annually.
4. The attendance fee shall be SAR 3,500 for each meeting of the BOD.
5. The company covers the actual and reasonable expenses and fees incurred by the member of the BOD for the purpose of performing his work.
6. In all cases, the sum of the remunerations and benefits received by a member of the BOD, whether financial or in-kind, shall not exceed the maximum limit for remuneration stipulated in the bylaws and regulations and in accordance with the controls set by the competent authority.
7. The Board's report to the Ordinary General Assembly shall include a comprehensive statement of all the remunerations, expenses, allowances and other benefits received by the Board members during the fiscal year. It shall also include a statement of what the Board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of BOD sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
8. The remuneration of the members of the BOD may be varied in amounts to reflect the member's experience, competencies, tasks entrusted thereto, his independence, the number of sessions attended, and other considerations.
9. The remuneration of independent Board members shall not be a percentage of the profits generated by the company or be based directly or indirectly on the profitability of the company.

The table below shows the remunerations and compensations of the members of the BOD paid during the year 2022 G:

	Fixed Remunerations							Variable Remunerations						End-of-Service Gratuity	Total Amount	Expense Allowance
	Certain Amount	Allowance for attending BOD sessions	Total allowance for attending committee sessions	In-kind benefits	Remuneration of technical, administrative and advisory works	Remuneration of the Chairman, Managing Director, or Secretary, if he is a member	Gross Total	Percentage of Profits	Regular Remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Gross Total			
First: Independent Members:																
Mansour Abdulaziz Al-Busaili	390,000	17,500	14,000	-	-	-	421,500	-	-	-	-	-	-	-	421,500	-
Omar Abdullah Jafri	350,000	17,500	14,000	-	-	-	381,500	-	-	-	-	-	0	-	381,500	6,000
Faisal Mohammed Shaker	350,000	17,500	17,500	-	-	-	385,000	-	-	-	-	-	0	-	385,000	-
Saad Abdulaziz Al-Khalb(1)	41,667	7,000	-	-	-	-	48,667	-	-	-	-	-	0	-	48,667	-
Gross Total	1,131,667	59,500	45,500	0	0	0	1,236,667	0	0	0	0	0	0	0	1,236,667	6,000
Secondly: Non-Executive Members:																
Abdullah Saleh Kamel(2)	291,667	10,500	-	-	-	-	302,167	-	-	-	-	-	0	-	302,167	-
Abdulaziz Mohammed Abdo Yamani	386,667	14,000	17,500	-	-	-	418,167	-	-	-	-	-	0	-	418,167	6,000
Hussein Ali Shobokshi	450,000	17,500	28,000	-	-	-	495,500	-	-	-	-	-	0	-	495,500	6,000
Suleiman Ibrahim Al-Hadithi	370,000	14,000	14,000	-	-	-	398,000	-	-	-	-	-	0	-	398,000	-
Amr Mohamed Kamel	350,000	17,500	10,500	-	-	-	378,000	-	-	-	-	-	0	-	378,000	-
Gross Total	1,848,333	73,500	70,000	0	0	0	1,991,833	0	0	0	0	0	0	0	1,991,833	12,000
Third: Executive Members:																
Abdullah Ibrahim Al-Howaish	350,000	17,500	17,500	-	-	-	385,000	-	-	-	-	-	0	-	385,000	-
Gross Total	350,000	17,500	17,500	0	0	0	385,000	0	0	0	0	0	0	0	385,000	0
Total Amount	3,330,000	150,500	133,000	0	0	0	3,613,500	0	0	0	0	0	0	0	3,613,500	18,000

(1) He was elected to the Council membership by the Ordinary General Assembly for the new session that started from 27/10/2022G

(2) His membership in the Board of Directors ended with the end of the Board's session on 26/10/2022G

Secondly: Remuneration of committee members:

The work list of the Audit Committee, the work list of the Remuneration and Nominations Committee, which was approved by the General Assembly, and the work list of the Investment and Finance Committee approved by the Board of Directors included the remuneration of its members. It is an annual remuneration of SAR 120,000 (Only one hundred and twenty thousand) for the Chairman of the Committee and SAR 100,000 (Only one hundred thousand) for each of the other members, provided that the entitlement to this remuneration shall be proportional to the number of meetings attended by the member during the year.

The table below shows the remunerations and compensations of the paid Committee members during 2022 G:

	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Gross Total
Audit Committee Members:			
Suleiman Ibrahim Al-Hadithi	120,000	14,000	134,000
Omar Abdullah Jafri	100,000	14,000	114,000
Nasser Sohag Al Shaibani	100,000	14,000	114,000
Gross Total	320,000	42,000	362,000

	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Gross Total
Members of the Remuneration and Nominations Committee:			
Mansour Abdulaziz Al-Busaili	120,000	10,500	130,500
Hussein Ali Shobokshi	100,000	10,500	110,500
Amr Mohamed Kamel	100,000	10,500	110,500
Gross Total	320,000	31,500	351,500
Members of the Investment and Finance Committee:			
Abdulaziz Mohammed Abdo Yamani	120,000	17,500	137,500
Hussein Ali Shobokshi	100,000	17,500	117,500
Abdullah Ibrahim Al-Howaish	100,000	17,500	117,500
Faisal Mohammed Shaker	100,000	17,500	117,500
Mansour Abdulaziz Al-Busaili	20,000	3,500	23,500
Gross Total	440,000	73,500	513,500

Third : Executive Administrative Remuneration:

The BOD shall determine the remuneration of senior executives and includes based on the recommendation of the Remuneration and Nominations Committee as the following:

1. A fixed amount paid in the form of salary and allowances. The allowances include housing allowance, transportation allowance and annual tickets, which are proposed by the Remuneration and Nominations Committee and approved by the BOD.
2. An annual bonus linked to performance indicators, according to the annual evaluation carried out in this regard.
3. The plans, policy and types of remuneration for employees and senior executives shall be approved by the BOD based on the recommendation of the Remuneration and Nominations Committee.

The Remuneration and Nominations Committee shall supervise the implementation of the remuneration policy for employees and senior executives in light of the plans, programs and general directives approved by the Board.

The table below shows the highest remunerations and compensations for Six senior executives paid during the year 2022 G:

	Fixed Remunerations				Variable Remunerations						End-of-Service Gratuity	Total executive remuneration for the board, if any	Total Amount
	Salaries	Allowances	In-kind benefits	Gross Total	Regular Remunerations	Earnings	Short-term incentive plans	Long-term incentive plans	Granted shares	Gross Total			
Total Amount	6,895,800	2,843,856	-	9,739,656	2,836,500	-	-	-	-	2,836,500	0	267,500	12,843,656

There is no arrangement or agreement under which a member of the company's BOD or a senior executive has hereby waived any remuneration.

The means adopted by the BOD in evaluating its performance and the performance of its committees and members:

The Board of Directors has adopted an internal form for evaluating the performance of the Board of Directors' work based on the proposal of the Remuneration and Nomination Committee and in line with the requirements of the Corporate Governance Regulations. The form is designed to assist in the process of evaluating the effectiveness of the Board, and includes the structure of the Board of Directors, the operations of the Board of Directors, the role and responsibilities of the Board of Directors, and the role and responsibilities of the Chairman of the Board of Directors. The BOD also approved a performance evaluation form for the work of each of its committees. The form was designed to contribute to verifying the performance of the committees' work in accordance with the approved work regulations, which regulate the committee's work controls and procedures, its tasks, and the rules for selecting its members. The elements of verification include the formation of the committee and its meetings, and the terms of reference, duties and responsibilities of the committee.

In order to know the strengths and weaknesses in the performance of the BOD and the committees, to strengthen the places of strength and work to address the deficiencies.

Business and contracts in which any member of the BOD or senior executives have an interest therein:

The company acknowledges that there are no business or contracts during 2022 G in which the company is a party or in which there is an interest for a member of the BOD or senior executives, or any person related to any of them.

The competing business of the company or any of the branches of the activity it is engaged in and which any member of the Board of Directors is or was practicing:

The company acknowledges that there are no businesses that compete with the company or any of the branches of the activity it is engaged in and which any member of the Board of Directors is or was engaged in.

Transactions with Related Parties:

In the course of their normal commercial business, some of the company's subsidiaries carried out transactions with each other and with related parties within the framework of their normal activities and with the same terms, principles and transaction prices followed with third parties. The table below shows a summary of the important transactions with related parties as at the end of the year according to note (20) from the financial statements for this year:

Amounts due from related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Other trading companies	Affiliates	Different Transactions	6,454,790	1,907,444
Provision for doubtful debts	-	-	-	(512,361)
Balance				1,395,083

Amounts due from related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Dallah Trading Company	Affiliate owned by a major shareholder	Buying finished goods	738,128	79,753
Ismailia Egypt Poultry Company	Affiliate owned by a major shareholder	Buying raw materials	3,196,490	249,223
Others	Affiliates	Different transactions	154,864	638,676
Balance				967,652

Annual Review of the Effectiveness of Internal Control Procedures:

An independent body carries out the internal audit tasks, evaluates and examines the internal control systems and their effectiveness in the company, and submits its reports to the Audit Committee after discussion with the company's management. The company's management takes the necessary corrective actions for the observations contained in the internal audit reports and the notes of the chartered accountant during the examination and review processes, and follows up on their completion in order to strengthen the internal control systems. The internal audit work shall be in accordance with an annual plan that is reviewed periodically. The tasks of the internal audit include evaluating the internal control system, the effectiveness of its procedures, and recommendations for its improvement and development, under the supervision of the Audit Committee. As a result of the annual review of the internal control system and the effectiveness of its procedures, regular observations were found within the company's practice of its functions that require corrective measures to improve and develop control systems, and the absence of observations and material risks affecting, with a recommendation to continue in the processes of developing the control system, internal control procedures and related activities by working on continuous improvement of rules, regulations and operational procedures.

The Opinion of the Audit Committee:

Based on the Committee's follow-up to its tasks, the internal auditor's reports, follow-up with the chartered accountant, and the corrective actions taken by the Executive Management of the company for continuous development and improvement, and the Executive Management's assurances that there are no material observations, when preparing the annual consolidated financial statements for the year 2022 G and the preliminary financial statements for the quarterly periods during 2022 G, and to address all observations made by the chartered accountant during the audit work for 2022 G, the chartered accountant has no comments or material observations that have not been addressed, the absence of material observations of the Committee when studying those statements, the absence of material observations from the BOD and its approval of those financial statements, and management's assurances about the internal control system and the effectiveness of its procedures, signed on 16/03/2022 G. The financial statements were examined and reviewed by the independent certified auditor, who has the right to review all the books and records, the minutes of the BOD and its committees, and the minutes of the General Assembly of Shareholders. In addition, no material note was received from the chartered accountant on the internal control and control systems. Based on the annual internal control report on the evaluation of the effectiveness of the design of the internal control system and the methodology carried out by the internal auditor and his conclusion that the design of the internal control system is effective, appropriate and sufficient with work on continuous development and improvement. In light of the above, the Committee has no substantial observations on the company's internal control system. Also, the company believes that the internal control system confirms to a reasonable degree that it was prepared on sound foundations, with the importance of the Executive Management continuing to develop and improve the internal control system and the development of the mechanism of control over the company's operations and activities.

Company Declarations:

- The account records are properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activities.
- The financial system reflects the integrity of financial statements and reports and their systems.

The provisions of the Corporate Governance Regulations have been applied, or have not been applied, and the reasons for that:

The company is working on carrying out the Corporate Governance Regulations issued by the Capital Market Authority through a system of corporate governance principles and rules, the bylaw, and the statutory rules and regulations related to the nature of the company's business and activities, internal work regulations and procedures, and the regulations, policies and procedures associated with the BOD and Board committees.

The BOD also approved the company's corporate governance rules, guided by the Corporate Governance Regulations in the KSA issued by the Capital Market Authority to comply with its provisions and objectives without violating the mandatory provisions, with the exception of some articles:

Item No.	Paragraph No.	Article/paragraph provisions	Reasons not to apply
(37)	-	Training (training of board and executive management members)	The article is for guidance, and the company's management is looking into the need for training programs for senior executives
(67)	-	Formation of Risk Management Committee	The article is for guidance, and the BOD assigned the functions of the Risk Management Committee to the Audit Committee, noting that the company continuously reviews its policies related to risk management and submits a report to the BOD on an annual basis
(69)	-	Risk Management Committee Meetings	
(73)	-	Configure the internal audit unit or department	The article is for guidance, and the company relies on external sources to perform the internal control functions, which in turn makes the internal audit plan and submits its reports to the Audit Committee
(82)	-	Motivate Employees	Guiding Material
(86) Disclosure Policies and Procedures	3	The company's website includes all the information required to be disclosed, and any other data or information published through other means of disclosure	The paragraph is indicative, and the company publishes any information and data that is required to be disclosed according to the regulations and the regulations required by the system
(92)	-	Formation of the Corporate Governance Committee	The article is indicative, and the BOD assigned the functions of the Governance Committee to the Remuneration and Nominations Committee to develop, implement and amend governance rules when needed

The company has no penalty, sanction, precautionary measure, or precautionary restriction imposed by the Authority or by any other supervisory, regulatory or judicial authority.

Actions taken by the BOD to inform its members of the shareholders' proposals and comments regarding the company and its performance:

The company's AOA guarantee to the shareholders all rights related to the share. the shareholder shall have the right to inquire and request information in a manner that does not harm the interests of the company and does not contradict the financial market system and its executive regulations. The BOD shall be notified of a summary of these suggestions or observations, if any.

Choosing a chartered accountant for the company:

The 51st Ordinary General Assembly, held on 12/06/2022 G, decided to nominate and select M/S Dr. Muhammad Al-Omari & Partners Company (BDO) from among the nominated offices, based on the recommendation of the Audit Committee, to be an auditor of the company's accounts, in order to examine, review and audit the financial statements for the second, third and annual quarters of the year fiscal 2022 G and for the first quarter of the fiscal year 2023 G. The recommendation of the Audit Committee to nominate an auditor for the company's accounts will be presented to the Ordinary General Assembly, at the time it is held during 2023 G, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2023 G and for the first quarter of the fiscal year 2024 G, and the General Assembly may approve the recommendation or appoint another auditor or more.

Accounting Standards Applicable in the Company:

The consolidated financial statements of the Group and the independent financial statements of the Group's subsidiaries were prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). All these financial statements were audited in accordance with international auditing standards, and the auditor issued an unqualified opinion on each of them with indication to a full compliance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

General Assemblies of Shareholders during 2022 G:

During the year 2022 G, the company held 3 general assemblies as follows:

1.The Ordinary General Assembly (15) held on 09/01/2022 G:

It is the assembly in which it was approved to amend the second article of association of the company related to the company's name to be, after the amendment, "Sanad Holding Company (Joint Stock Company – Listed)" as follows:

- 1.Managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support to them.
- 2.Investing its funds in stocks and other securities.
- 3.Owning real estate and movables necessary to carry out its activities.
- 4.Providing loans, guarantees and financing to its subsidiaries.
- 5.Possessing industrial property rights such as patents, trade and industrial trademarks, franchise rights and other intangible rights, and exploiting and leasing them to affiliated companies or others.
- 6.Any other legitimate purpose consistent with the nature of this company.

It was also approved to amend Article 5 of the company's articles of association related to the company's head office, so that after the amendment, "the company's head office is located in the city of Riyadh and it may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia by a decision of the Board of Directors".

2.The Ordinary General Assembly (51) held on 12/06/2022 G:

It is the assembly in which the Board of Directors' report for the fiscal year ending on 12/31/2021 G was approved, and the company's auditor's report for the fiscal year ending on 12/31/2021 G was approved, and approving the financial statements for the fiscal year ending on 12/31/2021 G, and approving the release of the members of the Board of Directors from liability for the fiscal year ending on 12/31/2021 G, approving the appointment of Messrs. / Dr. Muhammad Al-Amri & Partners BDO as an auditor for the company's accounts from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 G, and the first quarter of the fiscal year 2023 G, determining its fees, and approving the delegation of the Board of Directors with the authority of the Ordinary General Assembly with the authorization contained in Paragraph (1) of Article 71 of the Companies Law, for a period of one year from the date of approval by the General Assembly or until the end of the session of the delegated Board of Directors, whichever is earlier. In accordance with the conditions contained in the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

3.The Ordinary General Assembly (52) held on 19/10/2022 G:




























It is the assembly in which it was approved to elect the members of the Board of Directors from among the candidates for the next session, which starts from 10/27/2022 G and lasts for three years, ending on 10/26/2025 G, and they are as follows:

- (1) Engineer / Abdulaziz Muhammad Abdo Abdullah Yamani
- (2) Mr. Amr Mohamed Abdullah Kamel
- (3) Engineer / Suleiman Ibrahim Abdullah Al-Hadithi
- (4) Professor / Mansour Abdulaziz Rashid Al-Busaily
- (5) Mr. Abdullah Ibrahim Suleiman Al-Howaish
- (6) Mr. Hussein Ali Hussein Shobokshi
- (7) Dr. Omar Abdullah Ali Jafri
- (8) Mr. Faisal Muhammad Amin Shaker
- (9) Eng. Saad Abdulaziz Nasser Al-Khalb

It was also approved to form the audit committee, define its tasks, work controls, and remuneration for its members for the new session, starting from 10/27/2022 G until the end of the session on 10/26/2025 G, and they are as follows:

- (1) Suleiman Ibrahim Al-Hadithi - Chairman (non-executive member)
- (2) Omar Abdullah Jafri - Member (Independent Member)
- (3) Nasser Sahaj Al-Shaibani - Member (a member from outside the Council)

Names of the members of the BOD present at the general assemblies during the year 2022 G:

Board member name	Attendance Record		
	Ordinary General Assembly Meeting (15) held on 09/01/2022	Ordinary General Assembly Meeting (51) held on 10/06/2022	Ordinary General Assembly Meeting (52) held on 19/10/2022
Abdullah Saleh Kamel			
Abdul Aziz Mohammed Abdo Yamani			
Hussein Ali Shobokshi			
Suleiman Ibrahim Al-Hadithi			
Abdullah Ibrahim Al-Howaish			
Mansour Abdulaziz Al-Busaili			
Omar Abdullah Jafri			
Faisal Mohammed Shaker			
Amr Mohamed Kamel			
Saad Abdulaziz Nasser Al-Khalb	He was elected to the membership of the Council by the Ordinary General Assembly for the new session, which started from 10/27/2022 G		

The number of the company's requests to the shareholders' register, the dates of those requests and their reasons:

The company's requests for the shareholders' register	The Date of Application (G)	Reasons for Application
1	09/01/2022	Attending the Ordinary General Assembly (15)
2	31/03/2022	Company Procedures
3	12/06/2022	Attending the Ordinary General Assembly (51)
4	30/06/2022	Company Procedures
5	31/08/2022	Company Procedures
6	13/10/2022	Other
7	19/10/2022	Attending the Ordinary General Assembly (52)

Social Contributions of the Company:

The company has developed training programs for recent university graduates, in addition to the cooperation of the Ministry of Human Resources and Social Development in the programs launched by the ministry, which are in line with the company's policy with regard to the social work initiative (according to the policy).

BOD thanks and appreciation:

The Chairman and members of the BOD extend their thanks and appreciation to all the company's shareholders, customers, suppliers and advisors for their efforts and cooperation. Also, the Board expresses its appreciation to the employees of the company and its subsidiaries, and all the parties with which it has a working relationship for their efforts and constructive cooperation with the company during the fiscal year 2022 G. The Board looks forward to advancing the performance of the company during the next year and the coming years to achieve the aspirations of its shareholders.

Regards,,,,

BOD

Board of Directors Report For the fiscal year 2022 G



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