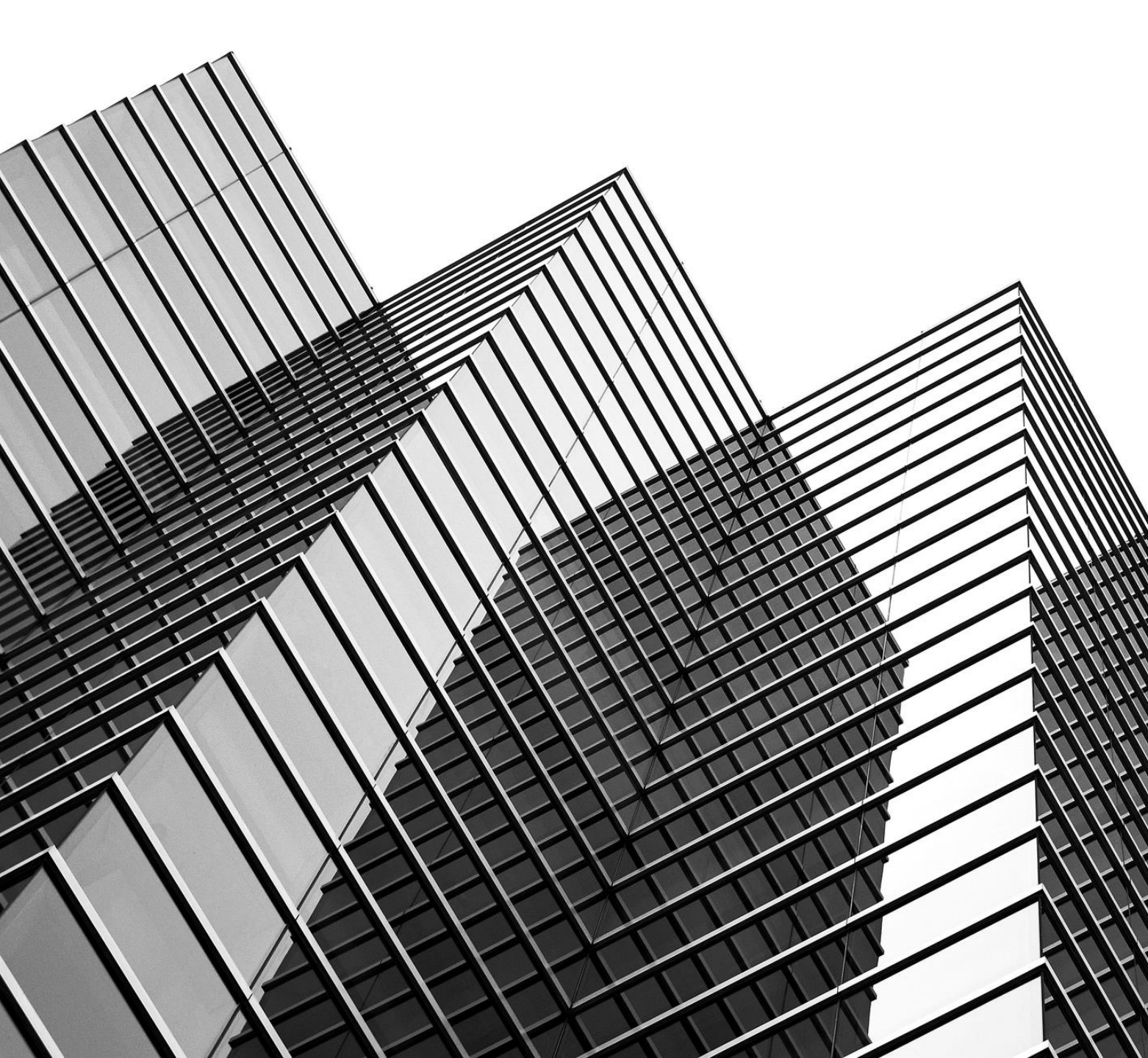


ENMA ALRAWABI

20  
22

**Annual Report**





**Dear Shareholders of ENMA ALRAWABI Company**

**May peace, mercy, and blessings of Allah be upon you**

The Chairman and Board members of Enma Alrawabi Company are pleased to submit to the respected shareholders the annual report for the fiscal year ended on 31 December 2022, prepared in accordance with the requirements of governance regulations issued by Capital Markets Authority, Companies Law and the Articles of Association of the Company. The report reviews information about the activities of the company, its financial results, performance, accomplishments, and future plans within the fiscal year that ended on 31 December 2022.

This report was prepared in both Arabic and English language, and in the event of any difference in meanings or vocabulary, the Arabic language will be adopted.

His Royal Highness Prince  
**Mohammed bin Salman bin  
Abdulaziz Al Saud**  
The Crown Prince and Prime  
Minister, may Allah protect him



Custodian of the Two Holy  
Mosques  
**King Salman bin  
Abdulaziz Al Saud**  
May Allah protect him



## 1

### Introduction

<u>Chairman Board of Directors statement</u>	1
<u>Introduction</u>	2
<u>About the company</u>	3
<u>Major Shareholders</u>	4

## 2

### About the company

<u>Company activities</u>	5
<u>Company Goals</u>	6
<u>Organizational Structure</u>	6
<u>Company Vision</u>	7
<u>Company Message</u>	7
<u>The company's general strategy</u>	7
<u>The strengths and competitive advantages</u>	8

## 3

### Achievements

<u>Important events of 2022</u>	10
<u>Completed projects</u>	11
<u>Current Projects</u>	15
<u>Future Projects</u>	15

## 4

### Institutional communication

<u>Human capital</u>	16
<u>Saudization and employment</u>	16

## 5

### Auditor

<u>The external auditor</u>	17
<u>External Auditor's report</u>	18

## 6

### Financial results and business data

<u>Income statement</u>	20
<u>Revenue analysis</u>	23
<u>Balance sheet</u>	27
<u>Accounting standards</u>	29
<u>Regulatory payments &amp; employee's obligations</u>	30

## 7

### Risks

<u>Risks related to the company's activities and operations</u>	32
<u>Risks related to Market and sector risks</u>	33
<u>Risks related to Lawsuits</u>	38
<u>Bank facilities and financing</u>	39
<u>Engagement in Competitive Business</u>	40

## 8

### Board of Directors

<u>Company board of directors, committees, and executive management</u>	42
<u>Audit committee</u>	49
<u>Remuneration and nominations committee</u>	52
<u>Senior executives</u>	54

## 9

### Governance and declarations

<u>Remuneration policy</u>	55
<u>Profit Distribution Policy</u>	56
<u>Rewards</u>	57
<u>Governance</u>	59
<u>Disclosures during 2022</u>	65
<u>Company's Declarations</u>	66
<u>Conclusion</u>	67

## Chairman Board of Directors statement

On my behalf, and on behalf of my fellow members of the Board of Directors of Enma Alrawabi

Company and all its affiliates, I am pleased to begin my speech by thanking and being grateful to His Highness, the Custodian of the Two Holy Mosques and his Crown Prince, may Allah protect both of them, for all their initiatives, support and motivation to the private sector and for their valuable confidence in the business sector, which we all cherish.

Enma Alrawabi Company applies state-of-the-art local professional practices to select the most promising investment opportunities with the best real value and benefits; and with the suitable prices in all commercial, educational, leisure and industrial sectors.

The company also continues to progress and grow, relying on its vision of leadership in the real estate development sector, and set off by an approach based on professionalism and excellence, and creating added value for the real estate development sector. The company's performance is consistent with the efforts of governance and the empowerment and sustainability of the real estate sector, at levels of achievement. The company was able (with Allah Goodness and Success), with the effort of a professional work team, and with high efficiency and experience of achieving great successes that we are proud of, and to be a distinguished and illuminated mark in the field of real estate development, and one of the Saudi companies that holds great trust and credibility among their customers, as it is characterized by various business models in real estate development management.

Finally, I would like to express my highest regards and gratitude to the members of the Board of Directors of Enma Alrawabi Company and the work team for their efforts and achievements, wishing them and to all customers and investors, success and guidance and asking Allah Almighty to assist us for all the good.

On behalf of the Board of Directors, I place the Company annual report for 2022 at your hands.



**Fahd Bin Ibrahim Saad Al Mousa**



The path of Sheikh Ibrahim bin Saad Al Mousa (may Allah have mercy on him) 1384 A.H. was full of great successes in the investment and real estate development market, with the efforts of the elite of experienced people and distinguished professional competences, that enabled them to re-form the concept of investment and real estate development, as per an innovative, comprehensive and professional work perspective, that is consistent with the rapidly growing developments in the field of investment and real estate development in the Kingdom, in work environments that gather privacy, beauty, novelty and quality of life, which became of the most important life styles in the Saudi society at all levels.

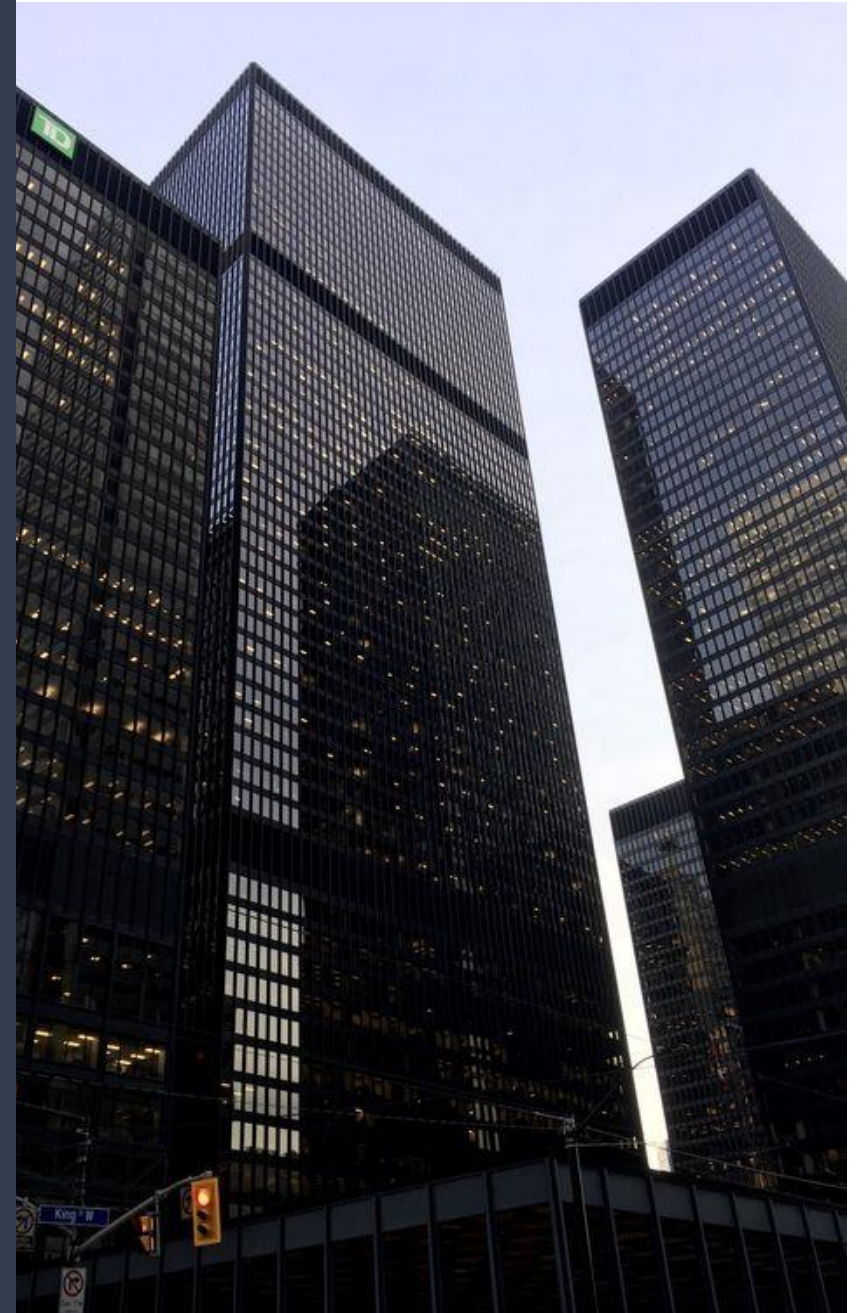
The founding father Sheikh/ Ibrahim bin Saad Al Mousa, "May Allah have mercy on him", depended on flexible work policy which enabled him to diverse projects to include agricultural real estate projects to his residential real estate activities to adapt to the diverse development plans developed by the government back then and target agricultural industry particularly wheat production. His successful journey filled with accomplishments has been reinforced with executing numerous mega-projects in Saudi market and by taking the strategic decision represented by incorporating Enma Alrawabi Company specialized in the field of investment and real estate development.

Enma Alrawabi is a joint stock company registered for real estate products and diverse real estate projects particularly in the field of construction and real estate development within Kingdom of Saudi Arabia.

Enma Alrawabi introduces a wide range of professional services and solutions of investment, development, management and operation of the real estate industry within the Kingdom, in compliance with the highest international standards of quality and safety with a developed local vision that guarantees the highest investment revenues to the owners of residential, commercial and industrial properties. It invests the latest technologies, software and advanced information systems as it is keen to provide all owners and investors with all necessary information, reports and statistics with accuracy, credibility and transparency in a timely manner.

In line with its vision to support its leading position as one of the most important integrated service and solution providers of investment and real estate development, Enma Alrawabi prides itself of accomplishing a wide range of construction and development projects including residential, commercial, educational and industrial complexes all over KSA in order to present a real added value to the investment and promotion of the diverse projects of the Company; as it recruits the best distinguished qualified employees and apply the state-of-the-art strategies and scientific methodologies to come up with a unique real estate product with high quality and competitive prices that guarantees the permanent satisfaction and trust of all concerned parties.

## Introduction



1- Enma Alrawabi Company was founded as a closed Saudi joint stock company under Articles of Incorporation dated 12/02/1432 A.H., corresponding to (16/01/2011AD), under the Ministerial resolution No. (117/R) (170/ج dated 01/04/1432 A. H. corresponding to 06/03/2011AD,, and the constituent assembly held on 09/04/1432 A. H. corresponding to 14/03/2011AD, and Ministerial resolution No. (145/R) (145/ج dated: 23/04/1432 A.H. corresponding to 24/03/2011AD, and commercial record No. (1010306291) dated: 30/04/1432 A. H., corresponding to 04/04/2011AD, issued in Riyadh city, and with a capital of two millions (SAR 2,000,000.00) Saudi Riyals, divided into two hundred thousand (200,000) normal equal value shares, value of each share is ten (SAR 10) Saudi Riyals.

2- On 14/01/1442 A. H. corresponding to 02/09/2020AD, the extraordinary general assembly of the Company shareholders agreed to increase the company capital from two million (SAR 2,000,000) Saudi Riyals to four hundred million (SAR 400,000,000) Saudi Riyals, divided into forty million (SAR 40,000,000) Saudi Riyals fully paid normal share, value of each share is ten (SAR 10) Saudi Riyals; the increase amounting to three hundred and ninety eight million (SAR 398,000,000) Saudi Riyals fulfilled and an amount of one hundred and eight million and eight hundred and ten thousand (SAR 108,810,000) Saudi Riyals transferred from the account of the shareholder Ibrahim Saad Mohamed AlMousa (may Allah have mercy on him) "relevant parties", and transfer an amount of one hundred million (SAR 100,000,000) Saudi Riyals from the retained profits account.

3- The current company capital is four hundred million (SAR 400,000,000) Saudi Riyals, divided into forty million (SAR 40,000,000) Saudi Riyals, fully paid normal share / value of each share is ten (10) Saudi Riyal.

4- After the issuance of the approval of Capital Markets Authority the Company transformed to public joint stock company and was listed in the Parallel Market "Nomu" as of Thursday 22/03/1443 A.H. corresponding to 28/10/2021AD, with a trading symbol (9521) and international symbol (SA15D07KKOH6).

5- Board of Directors and Affiliates of Enma Alrawabi Company mourn Mr. Abdallah Bin Ibrahim Bin Saad AlMousa – the Chairman (non-executive member) who passed away on Saturday 5 Dhu Al-Qaeda 1443, corresponding to 4 June 2022, asking Allah, the Almighty, to bestow His mercy on him and grants us and all his family and companions patience and consolation.

The head office of the company is in the city of Riyadh and its address is as follows:

Al Rawabi Development Company

Riyadh

Prince Fahd bin Salman bin Abdulaziz Road

An namudhajayah Al Morabba District PO Box 1203 Riyadh 11431

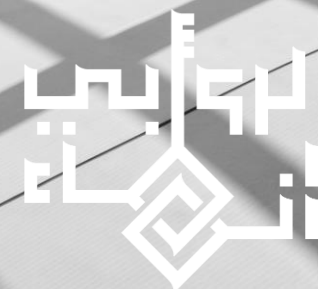
Telephone:+ 966114033630 Tel: 966114124004

Fax:+ 9661114124500

Email: [iR@enmaalrwabi.com](mailto:iR@enmaalrwabi.com)

website: [www.enmaalrwabi.com](http://www.enmaalrwabi.com)

# About the Company



ENMA ALRAWABI



## The major shareholders

Shareholders who own five percent (5%) or more of the company's shares until the last trading day December 31, 2022, are:

	Name	Ratio
1	Anas Ibrahim Saad AlMousa	6.862%
2	Abdel Aziz Ibrahim Saad AlMousa	6.752%
3	Fahad Ibrahim Saad AlMousa	6.750%
4	Samy Ibrahim Saad AlMousa	6.748%
5	Ahmed Ibrahim Saad AlMousa	6.711%
6	Mossa Ibrahim Saad AlMousa	6.691%
7	Abdallah Ibrahim Saad AlMousa "May Allah Have mercy on him"	6.487%
8	Saad Ibrahim Saad AlMousa	6.447%
9	Mohamed Ibrahim Saad AlMousa	6.166%
10	Norah Mohamed Abdel Rahman Alnasser	6.136%
11	Mariam Abdallah Abdel Rahman Motlaqah	6.136%

Proportion of what the Board of Directors members own in the Company shares:

Name	No. of shares at the beginning of 01 January 2022	No. of shares at the end of 31 December 2011	Net Change	Change Percent
Abdallah Ibrahim Saad AlMousa "May Allah Have mercy on him"	494974	End of representation at the board on 5 June 2022AD	-	-
Saad Ibrahim AlMousa	485000	End of representation at the board on 5 June 2022AD	-	-
Fahad Ibrahim Saad AlMousa	594045	2700000	2105955	354%
Abdel Aziz Ibrahim Saad AlMousa	594400	2700906	2106506	354%
Mohamed Ibrahim Saad AlMousa	490000	2466399	1976399	403%
Ahmed Ibrahim Saad AlMousa	Commencement of representation at the Board on 5 June 2022AD	2684361	-	-
Anas Ibrahim Saad AlMousa	Commencement of representation at the Board on 5 June 2022AD	2745000	-	-
Abdel Aziz Hama Mohamed AlMousa		0	0	0
Abdel Aziz Mohamed Abdel Aziz AlMousa		0	0	0
Abdallah Abdel Rahman Abdallah Al Sheikh	Commencement of representation at the Board on 5 June 2022AD	0	-	-



## Company activities

The company practices its activity under the commercial record No. (1010306291), dated: 30/04/1432 A. H., expires on 29/04/1447 A. H. Note that 100% of the company's total revenues are generated from real estate rental activity

Company activities are represented as stated in its commercial record in:

### Real Estate activities:

Management and lease of owned or leased properties (residential).

Management and lease of owned or leased properties (non-residential).

Activities of properties management in consideration of commission.

### Construction:

General construction of residential buildings.

General construction of non-residential buildings such as schools, hospitals, hotels... etc.

The company also carries out contracting activity in the name of "Enma Alrawabi for Contracting Company", Commercial Registration No. (1010794764) dated 10/09/1443 AH, which ends on 10/09/1444 AH.

The company's activities, as stated in its commercial register, are:

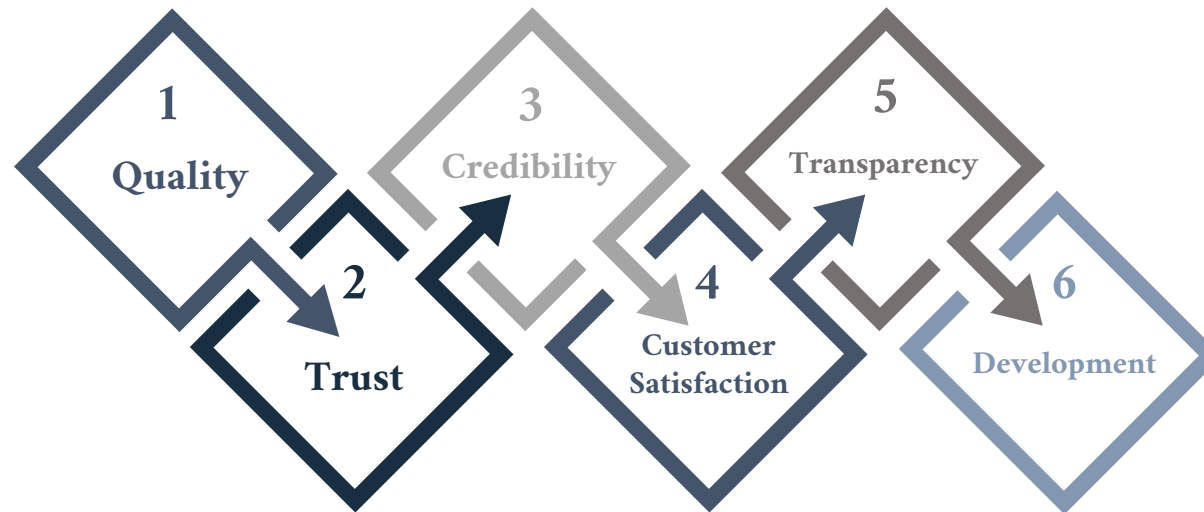
- 1- Administrative and support services.
- 2- Building maintenance services activities.

Also, the company activities are represented as stated in the Articles of Association in practicing and executing the following purposes:

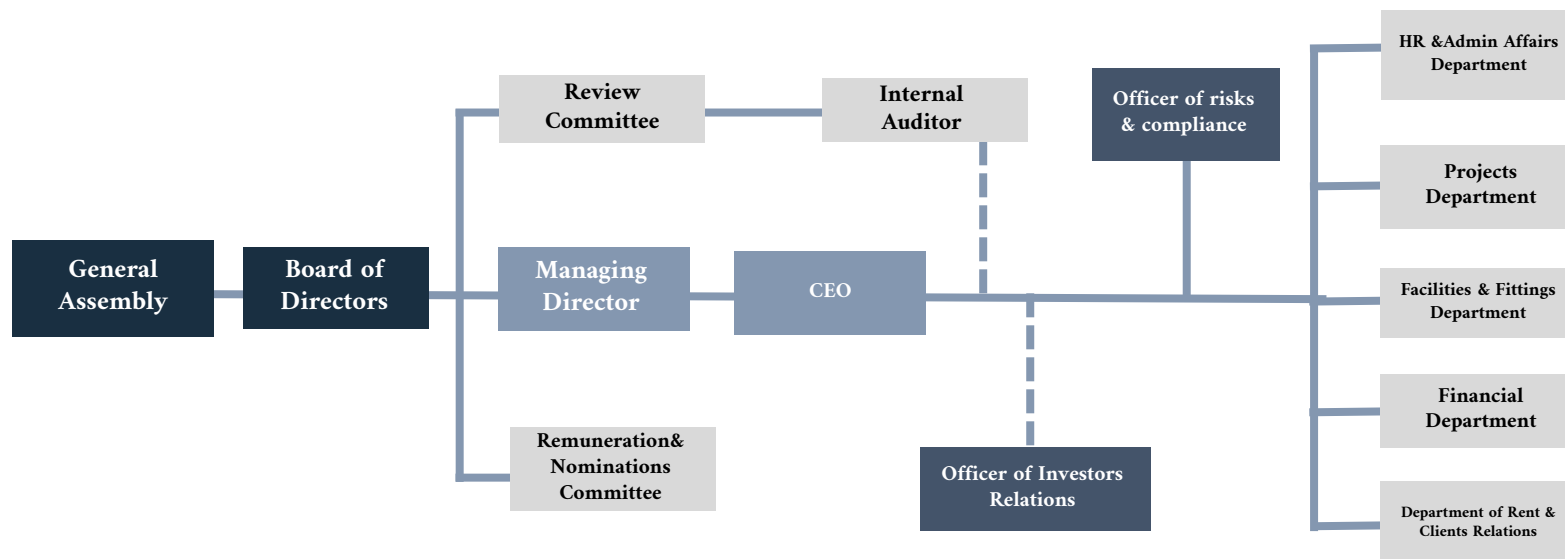
- 1- Purchase and sell of real estates in favor of the company.
- 2- Construct and own buildings of all types: residential, commercial, touristic, resorts, halls, events, meeting rooms, hotels, restaurants, coffee shops, and their investment by leasing, operating or selling; and renting buildings from others whether such buildings are touristic or residential and operating thereof, and maintenance, cleaning and management of buildings.
- 3- Import and export of construction materials, and their supplement materials, educational, cultural and library materials; establishing libraries and stationery, wholesale and retail sale trade in construction materials and educational means.
- 4- Construction, ownership and participation in educational facilities of schools, institutes, faculties, universities, and different training centers, and operation, maintenance and management thereof.
- 5- Purchase, sell, rent and management of farms, establishment of agricultural stores and trading in fertilizers, seeds and all agricultural materials, tools and machines.
- 6- Establishment and ownership of factories of marble, tiles, blocks and crushers, factories of cement and gypsum, and all factories of construction materials and supplementary materials.
- 7- Development, management and maintenance of properties.
- 8- Establishment, management, operation, maintenance and cleaning of buildings, real estates, hotels, residential apartments, tourist resorts and leisure and commercial centers.
- 9- Establishment, management, operation and maintenance of hospitals, scientific professional institutes and centers and private schools.
- 10- Establishment, management, operation, maintenance, cleaning, renting and leasing of restaurants and coffee shops (coffee shops and internet).
- 11- Practicing education and training services.
- 12- Investment in industrial, commercial, service and agricultural projects.
- 13- Acquisition of commercial agencies, distribution agencies and commercial undertakings.

**The Company practices its activities after acquiring the necessary licenses from the competent authorities.**

## Company Objectives:



## Organizational Structure:





### **General company strategy:**

To work on presenting a wide range of professional services and solutions in the real estate sector within the Kingdom, including investment, development, management and operation, in compliance with the highest international standards of quality and with a developed local vision that guarantees the highest investment revenues to the owners of residential, commercial and industrial properties. The Company will invest in the state-of-the art technologies, software and advanced information systems to provide all owners and investors with all required information, reports and statistics with accuracy, credibility and transparency in a timely manner, and to achieve the highest amount of financial revenues and to maintain and reinforce the relationships with customers.

### **Company message:**

Providing real added value in real estate investment and development, attracting the best distinguished talents, and applying the latest strategies and scientific methods, with the aim of creating a real estate product distinguished by high quality and competitive prices, in a manner that guarantees the sustainability of the satisfaction and confidence of all parties.

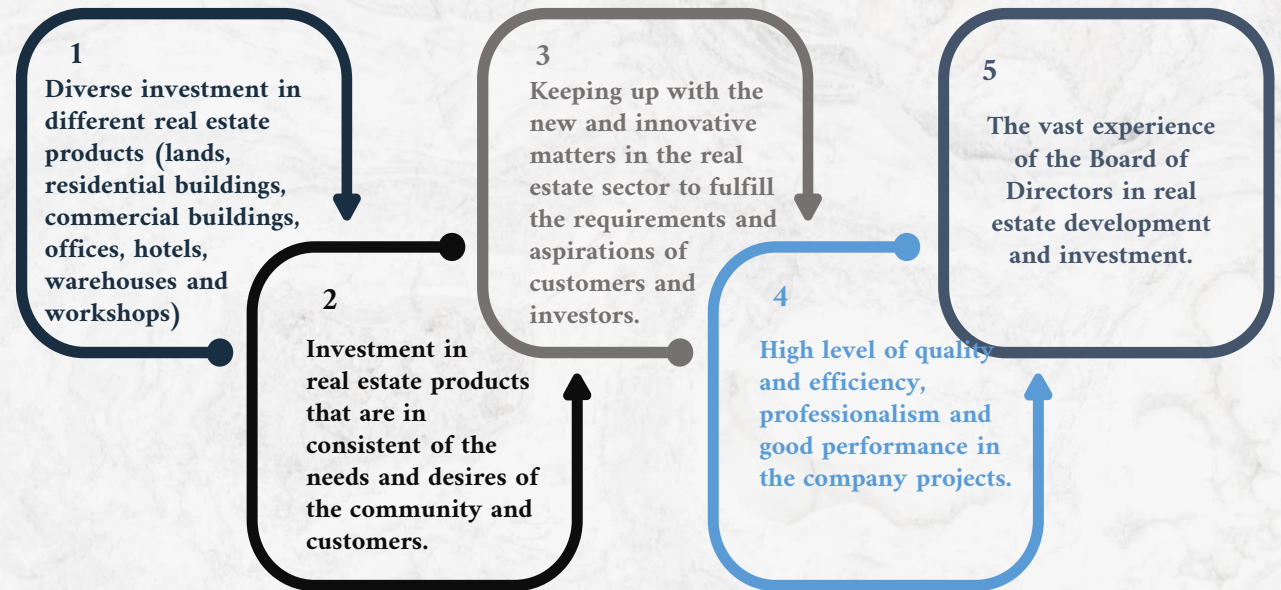
### **Company vision:**

Dedicating its leading position as one of the most important providers of integrated real estate investment and development solutions and services in the Kingdom of Saudi Arabia.



ENMA ALRAWABI

## The strengths and competitive advantages:







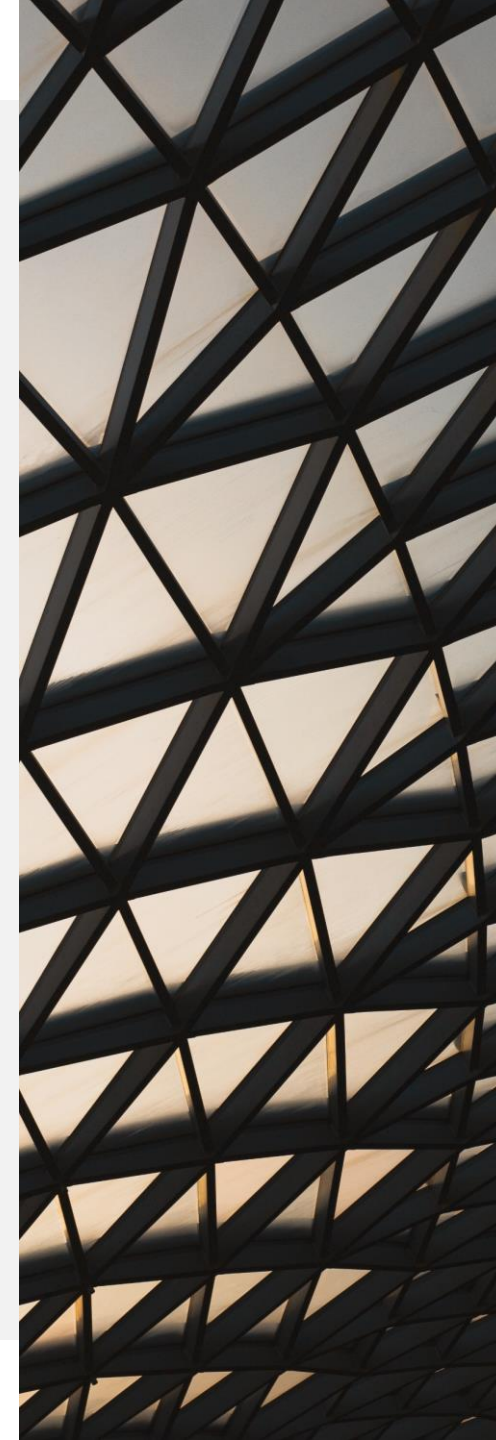
# Achievements

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- The most important events of 2022
- Completed projects
- Current projects
- Future projects

## The most important events of 2022

06/01/2022	Appointment of the Chairman and Deputy Chairman
08/05/2022	End of directors board session and extension thereof till (05/06/2022AD)
04/06/2022	The death of the Chairman (non-executive member) Mr. Abdallah Bin Ibrahim Bin Saad AlMousa "May Allah have mercy on him"
05/06/2022	Election of the members of Board of Directors and Audit committee
05/06/2022	Approval of the work regulations of Audit committee by the first ordinary general assembly; appointment of managing director; formation of remuneration and nominations committee; appointment of company representatives and secretary.
08/06/2022	Appointment of the Chairman and the Deputy Chairman for the board membership, appointment of managing director, formation of remuneration and nominations committee; appointment of company representatives and secretary.
27/12/2022	Resignation of the executive officer Mr. Mohamed Bin Mansour Aba Hussein
27/12/2022	Appointment of the executive officer Eng. / Saud Bin Saif Alqawafil.





## Completed projects:

### Offices and business centers sector:



#### Al-Mousa offices & exhibitions building



Al Olaya District, Riyadh City  
Commercial - Administrative



#### Company headquarters building



Enma Al Rawabi for real estate development and investment  
An-Namudhajayah District, Riyadh City  
Commercial - Administrative - Residential



#### Al-Stein Commercial and Office Building



Al Olaya District, Riyadh City  
Commercial - Administrative



#### Aban office building



Al Olaya District, Riyadh City  
Commercial - Administrative

Real estate & malls sector:



**Aban Center Commercial Building**



Al Ghadeer District, Riyadh City  
Commercial - Administrative



**Al-Amro Markets**



Dhabab district, Riyadh city  
Commercial



**Rawabi Al Ansar Mall**

King Abdullah bin Abdulaziz  
Road, Second Ring Road - Medina  
Commercial



**Rawabi Dammam**

Al Shatti District,  
Dammam City  
Commercial





Hospitality:



**Rawabi Al Zahraa Hotel**

Central District, Madinah



Al Salam Street

Commercial - Tourist

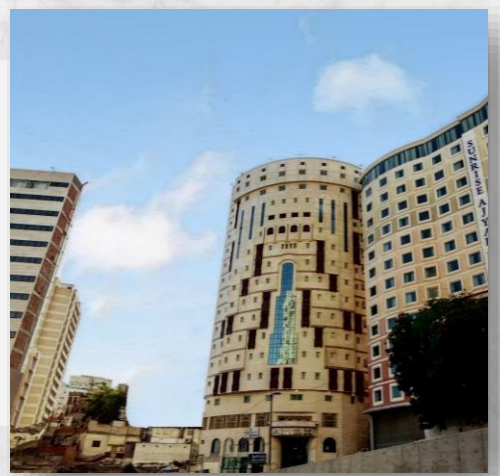


**Rawabi Zamzam hotel**

The central area of Makkah



Tourist



Educational and industrial sector:



**Minor industrial workshops**



Al-faisaliah district, Riyadh city

Industrial



**A complex of model schools for boys and girls**



Hittin District, Riyadh City

Educational

## Residential sector:



### **Mohammedia Villas Complex**

Al-Muhammadiyah District,



Riyadh City

Residential

## Integrated Projects Sector:



### **Al Mousa Residential Commercial Industrial Complex**



Ad difa District, Riyadh City

Commercial - Residential - Industrial





Current projects:

Enma Alrawabi signed a contract for designing engineering projects for number of the company projects with Saudi Aknan Consultants; this comes within the company plan towards developing the existing commercial centers, such projects consist of:

- 1- A residential project in Al-Muhammadiyah district in Riyadh with an area of 4400 square meters, refer to residential sector part, page No. (14)
- 2- Administrative offices building, An Namudhajiya in Riyadh City with an area of 948 square meters, refer to residential sector part, page No. (14)

In line with the ambitious company vision to reinforce its status in the real estate development market

Future projects:

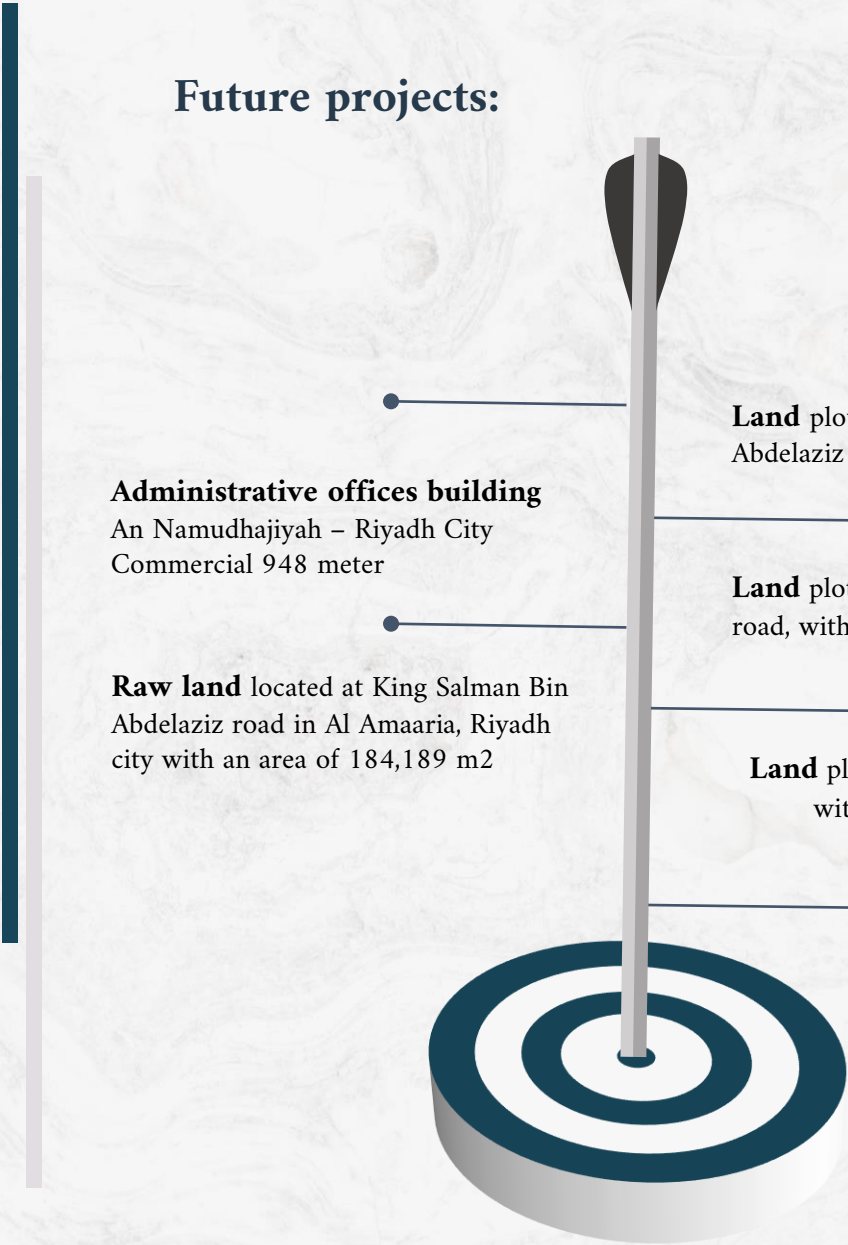
**Administrative offices building**  
An Namudhajiya – Riyadh City  
Commercial 948 meter

**Raw land** located at King Salman Bin Abdelaziz road in Al Amaaria, Riyadh city with an area of 184,189 m2

**Land** plot located at King Salman bin Abdelaziz road, with an area of 2,963 m2

**Land** plot on King Salman bin Abdelaziz road, with an area of 8,887 m2

**Land** plot located at north of Riyadh, with an area of 17,411 m2



Human capital:

Enma Alrawabi Company gives extreme importance to work teams and works to set all plans and strategic programs that would enhance their capabilities and develop their skills. This has been demonstrated through its support for human resources preparation programs, starting from recruitment phase to employment phase till the phase of training and practicing tasks and job activities. All these processes and procedures came from the company perception and awareness of the human element importance in all production operations; as the Company secured all supplies that increase the capabilities of employees, and thus leads to increase and effectiveness of production operations.

The Company has also set staff training programs and plans at the top of its priorities. First, the employee's needs of training materials are assessed so as they are in consistent with the Company objectives and then such training programs are prepared, so as these programs include all functional levels in the Company in order to achieve growth and institutional excellence. The human resources department handles the training processes and set the programs and courses that suit the various fields of employees, as per the following:

- In case the training is inside the Company, it shall be executed by specialists in the Company.
- If the training is outside the company, it shall be conducted by specialized institutes and centers after identifying programs that are appropriate to the needs of employees and contribute to the completion of work in a creative and professional manner that promotes individual growth, thereby adding value to the company.

On the other hand, the company has taken an interest in the issue of employee health care, as demonstrated by the company contracting with large health insurance companies in the Kingdom to provide a healthy environment that does not stop at caring for employees but also extends to their families.

Saudization and employment:

The importance of Saudizing jobs at Enma Alrawabi Company is based on its social responsibility and its firm belief in the need to activate and benefit from national cadres and qualifications, as it is a way to promote human development in Kingdom of Saudi Arabia, as the Company does not consider that the Saudization of jobs in the Company is resulting from securing the requirements of the Ministry of Labor to the extent that it considers it a national duty that has positive effects on the Saudi national economy by investing national cadres in all available means.

The Company translated this by reaching the green level of Saudization, especially in the leadership and managerial positions which indicates the Company interest in the issue of jobs Saudization and taking the issue into practical application.

The following table shows the number of employees in the company and the percentage of Saudization as at 31 December 2022AD.

Following is a statement of the staff number in the Company and percent of Saudization till 31 December 2021AD

Total employees	Saudis	Non-Saudis	Saudization Percent	Level
44	16	28	%36.36	Green



## External Auditor



### Brief:

Al Kharashi & Co. Certified Accountants and Auditors – joint venture company, incorporated under the Laws of Kingdom of Saudi Arabia, registered in Riyadh under commercial record No. 1010327044, dated: 8/3/1433 A.H.

- Al Kharashi & Co. Company has started working in Kingdom of Saudi Arabia since 1982AD, the Company includes currently three partners and almost five executive managers, in addition to consultants of Zakat and taxes services and other consulting services provided by the Company.
- The Headquarters of the Company is located in Riyadh, in addition to Jeddah branch. The Company also intends to establish a new branch in Dammam to serve the clients of Eastern Zone.
- The Company provides a central, integrated and flexible framework of professional services that include: accounting, auditing, services of Zakat and taxes, administrative consultancies, in addition to other specialized services.

The Company consists of four departments:

- 1- Auditing.
- 2- Financial and management consultancies.
- 3- Accounting.
- 4- Zakat and taxes.

Each one of them is headed by partners and executive managers.

Al-Kharashi & Co. Company is a member in Mazar International Group, and they are independent in performing their operations; as they are a member in the Group, they benefit from all tools and technical solutions, including the auditing methodologies and proof, technology, research, policies and procedures, Mazar policies of employment, training and marketing, cloud archives, transfer of employees and quality control and all tools and solutions in its whole system.

## External Auditor's report:

# mazars

**mazars**

**Al Kharashi & Co.**  
Certified Accountants and Auditors  
7425 Sarhan Tower Al-Minhassani Street  
Riyadh, KSA  
P.O. Box: 8306, Riyadh 11482  
Tel: + 966 50202829  
Fax: + 966 11 477 4054  
www.mazars.sa

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders  
Enma Al Rawabi Company  
(A Saudi Joint Stock Company)

#### Opinion:

We have audited the financial statements of **Enma Al-Rawabi Company** (A Saudi joint stock company) (The Company), which comprise the statement of financial position as at December 31, 2022, statement of comprehensive income, statement of changes in equity, and cash flows for the year then ended, and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the company in accordance with the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following describes each of the key audit matters and how they were addressed:

Key audit matters	How the matter was addressed
<b>-First: Revenue Recognition:</b> During the year ended December 31, 2022, the company has been recorded a revenues amounting to Saudi Riyals 48,126,942 (December 31, 2021: amounting to Saudi Riyals 38,983,601 ).  The company's revenues mainly consist of rental revenues arising from lease contracts. Revenue recognition has been considered a key audit matter due to the existence of risks of management override of internal controls, by recording a revenue may be in excess of its actual amount to increase profitability, as the company focuses on revenues as a key indicator of its performance. The accounting policy and disclosures related to revenue recognition are set out in the notes to the financial statements, refer to Note No. (3) of the accounting policy and Note No. (18) for relevant disclosures	Our audit procedures included, in our judgment, the following: <ul style="list-style-type: none"> <li>• Testing the design and implementation of internal control procedures related to revenue recognition and their operational effectiveness, including control procedures for combating fraud.</li> <li>• Carrying out analytical review procedures for rental revenue by comparing lease contracts and their annual values for the current year with the previous year and determining if there are any significant trends or fluctuations that need additional examination considering our understanding of prevailing market conditions.</li> <li>• Testing on a sample basis of rental income transactions with supporting documents and perform the cut-off procedures to ensure that rental income is recorded in the correct periods.</li> <li>• Evaluating the adequacy of the disclosures related to revenue recognition in the notes to the financial statements.</li> </ul>

AL-KHARASHI & CO. CERTIFIED ACCOUNTANTS AND AUDITORS - PARTNERSHIP COMPANY - C.A. 1010327944  
MEMBER OF MAZARS

**mazars**

**Al Kharashi & Co.**  
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Key audit matters	How the matter was addressed
<b>Second: Investment Properties:</b> The company owns investment properties, including lands and buildings, with amounting of Saudi Riyals 481,883,281 as at December 31, 2022 (December 31, 2021: amounting of Saudi Riyals 489,424,700 ), which represents significant part of the company's total assets by (89%) as at December 31, 2022 (December 31, 2021: by ( 86%)), investment properties are shown in the statement of financial position at cost less accumulated depreciation and impairment (if any). For the purposes of impairment testing and fair value disclosure in the financial statements, the fair value of investment properties has been estimated by an independent, external expert (the "Valuator") who have a professional qualification and have an experience in real estate valuation. This matter was considered as a key audit matter since the valuation of investment properties requires significant assumptions and judgments that may lead to material errors in the disclosure of investment properties in the financial statements. Refer to Note No. (3) for the accounting policy for investment properties and Note No. (6) for related disclosures.	Our audit procedures included, in our judgment, the following: <ul style="list-style-type: none"> <li>• Evaluate the experiences and qualifications of the appointed real estate expert who is appointed by the management and ensure that the expert is authorized by the Saudi Authority for Accredited Valuers.</li> <li>• Engage our specialists to evaluate the basic assumptions used by the real estate expert when determining the fair value of investment properties.</li> <li>• Testing, on a sample basis, the real estate valuations carried out by the expert with the help of our specialists to ensure the reasonableness of the main assumptions that were used to determine the fair values of the investment properties.</li> <li>• Ensure that the financial statements has been included a sufficient and appropriate disclosures of accounting policies and disclosure related to investment properties.</li> </ul>

#### Responsibilities of Management for the Financial Statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) , that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AL-KHARASHI & CO. CERTIFIED ACCOUNTANTS AND AUDITORS - PARTNERSHIP COMPANY - C.A. 1010327944  
MEMBER OF MAZARS

**mazars**

**Al Kharashi & Co.**  
Certified Accountants and Auditors  
7425 Sarhan Tower Al-Minhassani Street  
Riyadh, KSA  
P.O. Box: 8306, Riyadh 11482  
Tel: + 966 50202829  
Fax: + 966 11 477 4054  
www.mazars.sa

As part of an audit in accordance with International Standards on Auditing (ISAs), that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

For Al-Kharashi & Co.



Abdullah S. Al-Musned  
License No. (456)

Riyadh in:  
07 March 2023G  
15 Shaban 1444H



AL-KHARASHI & CO. CERTIFIED ACCOUNTANTS AND AUDITORS - PARTNERSHIP COMPANY - C.A. 1010327944  
MEMBER OF MAZARS



## Financial results and business data

- Income statement
- Revenue Analysis
- Balance Sheet
- Accounting Standards
- Regulatory payments  
& Employees Obligations

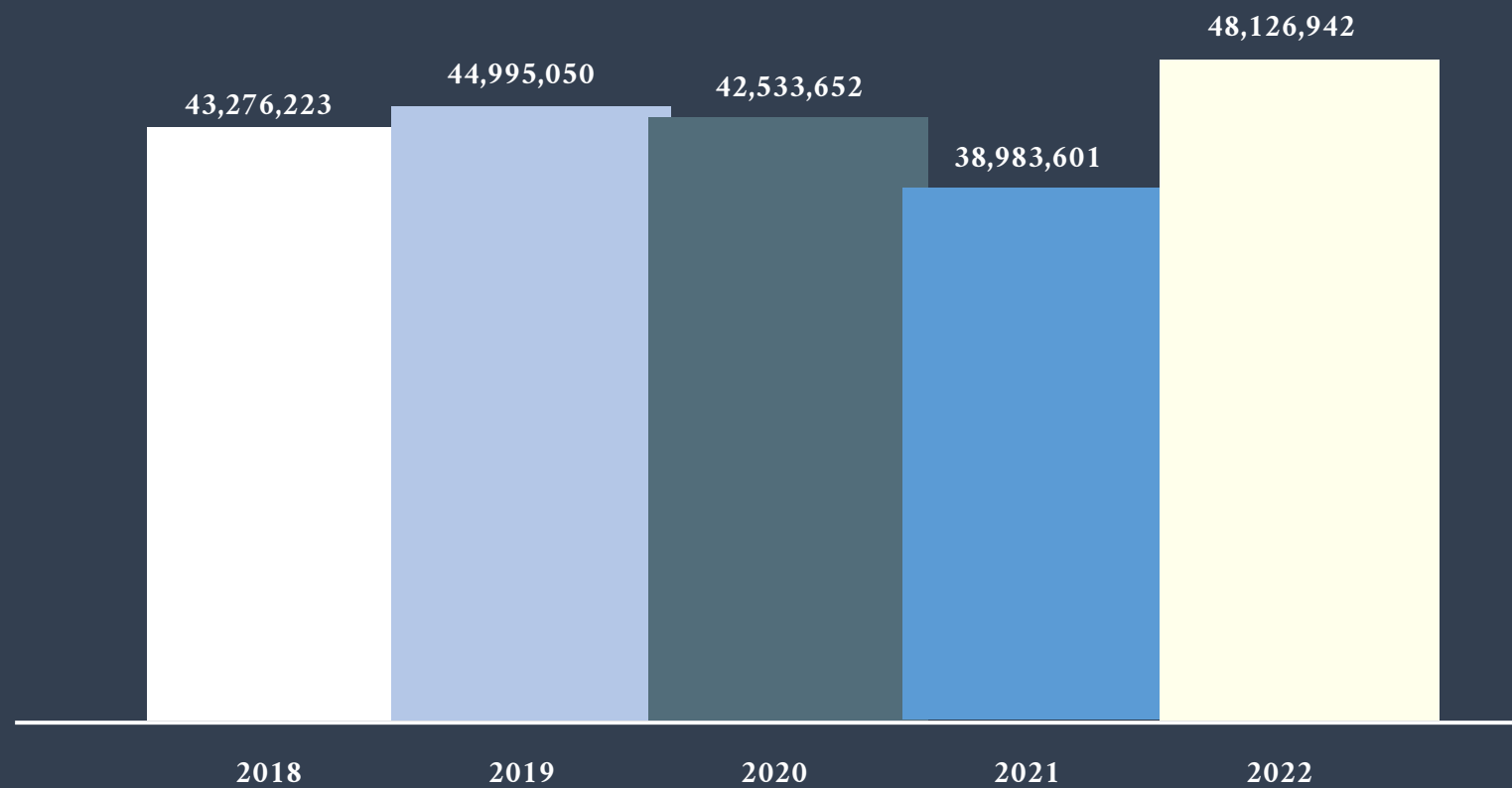


The following table sets out the Company's actual income statements for the years (2018-2019-2020-2021-2022)

SR	2018	2019	2020	2021	2022
Revenues	43,276,223	44,995,050	42,533,652	38,983,601	48,126,942
Cost of Revenue	(15,888,955)	(13,225,220)	(13,291,604)	(10,673,861)	(10,380,839)
Gross profit	27,387,268	31,769,830	29,242,048	28,309,740	37,746,103
General and administrative expenses	(2,450,502)	(2,724,663)	(2,548,835)	(4,252,980)	(5,119,022)
Selling and distribution expenses	(260,581)	(178,617)	(109,178)	(58,198)	(94,480)
Operating profit	24,676,185	28,866,550	26,584,035	23,998,562	32,532,601
Gains (losses) on revaluation of investments	253,658	4,000,000	(643,902)	839,024	540,613
Cost of Finance	0	0	0	(4,811)	(9,289)
Losses on sale of property, plant and equipment	0	0	0	0	(26,234)
Provision for expected credit losses	(379,294)	(1,225,062)	(1,677,547)	(785,561)	0
Provision for expected credit losses that are no longer intended	0	0	0	0	831,404
Provision for impairment of investments	0	(5,634,000)	0	0	0
Other income	179,568	146,974	338,044	36,897	59,385
Profit for the year before zakat	24,730,117	26,154,462	24,600,630	24,084,111	33,928,480
Legal zakat	(978,127)	(826,841)	(1,261,332)	(2,092,139)	(2,090,049)
Net income	23,751,990	25,327,621	23,339,298	21,991,972	31,838,431
Other comprehensive income					
Remeasurement of employee defined benefit obligations	3,352	(1,465)	27,312	(106,929)	(79,994)
Total items of other comprehensive income	23,755,342	25,326,156	23,366,610	21,885,043	31,758,437
Earnings per share					
The basic	118.76	126.64	0.58	0.55	0.80
Diluted	118.76	126.64	0.58	0.55	0.80



## Revenue in Saudi Riyal:



The following table shows the changes in operating results between 2021 and 2022:

SR	2021	2022	Change	Change %
Revenues	38,983,601	48,126,942	9,143,341	23%
Cost of Revenue	(10,673,861)	(10,380,839)	(293,022)	(3%)
Gross profit	28,309,740	37,746,103	9,436,363	33%
General and administrative expenses	(4,252,980)	(5,119,022)	866,042	20%
Selling and distribution expenses	(58,198)	(94,480)	36,282	62%
Operating profit	23,998,562	32,532,601	8,534,039	36%
Gains (losses) on revaluation of investments	839,024	540,613	(298,411)	(36%)
Cost of Finance	(4,811)	(9,289)	4,478	93%
Losses on sale of property, plant and equipment	0	(26,234)	-	-
Provision for expected credit losses	(785,561)	0	-	-
Provision for expected credit losses that are no longer intended	0	831,404	-	-
Other income	36,897	59,385	22,488	61%
Profit for the year before zakat	24,084,111	33,928,480	9,844,369	41%
Legal zakat	(2,092,139)	(2,090,049)	(2,090)	(0.09%)
Net income	21,991,972	31,838,431	9,846,459	45%
Other comprehensive income				
Remeasurement of employee defined benefit obligations	(106,929)	(79,994)	(26,935)	(25%)
Total items of other comprehensive income	21,885,043	31,758,437	9,873,394	45%
Comprehensive income				
Earnings per share				
The basic	0.55	0.80	0.25	45%
Diluted	0.55	0.80	0.25	45%



By Company's activities:

Revenue in SAR

Name	City	2018	2019	2020	2021	2022
Rawabi Zamzam Hotel, Makkah	Mecca	10,000,000	9,623,352	3,601,874	42,188	3,420,335
Rawabi Al Zahraa Hotel Madinah	Medina	5,927,289	6,190,476	3,309,568	0	2,805,061
Aban Tower	Riyadh	5,400,000	5,139,965	5,400,000	5,400,000	5,400,000
Al-Kharj Road workshops	Riyadh	3,771,258	3,174,319	3,358,467	2,996,431	3,408,404
Al Mousa Office Center	Riyadh	2,734,164	3,333,314	3,557,642	3,158,889	3,292,120
AlSteen building	Riyadh	4,266,667	4,910,413	3,994,577	4,859,133	4,016,712
Al Kharj Road Buildings	Riyadh	2,342,002	2,370,049	2,679,640	2,753,445	3,289,389
Al Obaidan Industrial	Riyadh	1,248,147	1,200,178	1,278,636	1,139,807	1,234,861
Dammam Mall	Dammam	833,320	1,005,569	2,994,444	2,000,000	2,000,000
Alamaaria courtyards and shops	Riyadh	394,486	212,500	85,000	167,428	139,512
Aban Center	Riyadh	4,236,950	5,465,443	8,973,320	10,089,058	10,575,337
Alamro Markets	Riyadh	733,333	797,772	800,000	800,000	800,000
An-namudhajayah Building- New	Riyadh	698,007	720,033	629,467	572,000	562,010
Al-Mohammedia Villas	Riyadh	510,600	590,000	620,588	585,026	556,415
Al-Zaydi warehouses	Mecca	180,000	170,000	208,762	170,196	126,786
Hittin district land	Riyadh	0	91,667	100,000	2,000,000	4,000,000
Medina Mall	Medina	0	0	941,667	2,000,000	2,000,000
Al Kharj Road Building	Riyadh	0	0	0	250,000	500,000
Total		43,276,223	44,995,050	42,533,652	38,983,601	48,126,942

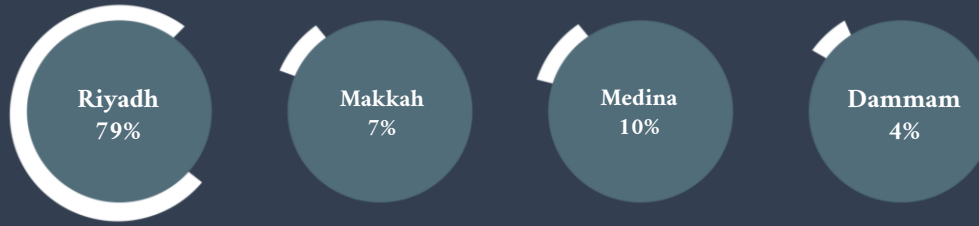
## Revenue in percentage

Name	City	2018	2019	2020	2021	2022
Rawabi Zamzam Hotel, Makkah	Mecca	%23	%21	%8	%0	%7
Rawabi Al Zahraa Hotel Madinah	Medina	%14	%14	%8	%0	%6
Aban Tower	Riyadh	%12	%11	%13	%14	%11
Al-Kharj Road workshops	Riyadh	%9	%7	%8	%8	%7
Al Mousa Office Center	Riyadh	%6	%7	%8	%8	%7
AlSteen building	Riyadh	%10	%11	%9	%12	%8
Al Kharj Road Buildings	Riyadh	%5	%5	%6	%7	%7
Al Obaidan Industrial	Riyadh	%3	%3	%3	%3	%3
Dammam Mall	Dammam	%2	%2	%7	%5	%4
Alamaaria courtyards and shops	Riyadh	%1	%0	%0	%0	%0
Aban Center	Riyadh	%10	%12	%21	%26	%22
Alamro Markets	Riyadh	%2	%2	%2	%2	%2
An-namudhajayah Building- New	Riyadh	2%	%2	%1	%1	%1
Al-Mohammedia Villas	Riyadh	%1	%1	%1	%2	%1
Al-Zaydi warehouses	Mecca	%0	%0	%0	%0	%0
Hittin district land	Riyadh	%0	%0	%0	%5	%8
Medina Mall	Medina	%0	%0	%2	%5	%4
Al Kharj Road Building	Riyadh	%0	%0	%0	%1	%1
<b>Total</b>		%100	%100	100%	100%	%100

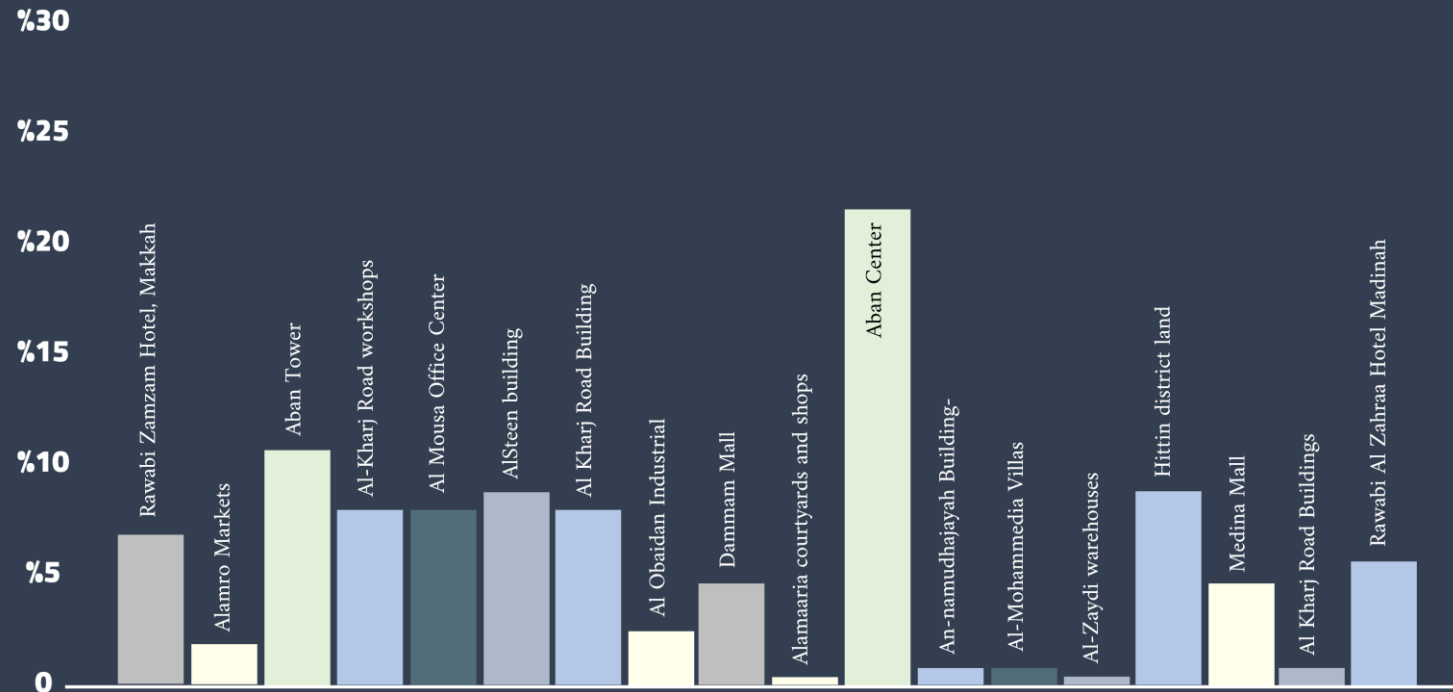


- ❑ **The company's revenues for the fiscal year ending on 12/31/2022 increased by 23%, as the total revenues for the year 2022 equaled 48,126,942 riyals compared to 2021, when the revenues amounted to a total of 38,983,601 riyals.** The reason for the increase is mainly due to the resumption of renting the Rawabi Zamzam Hotel in Makkah Al-Mukarramah and the Rawabi Al-Zahra Hotel in Madinah, in addition to the increase in the rental value of some properties. As a result, the gross profit increased by 33%, reaching 37,746,103 riyals for the year 2022 AD, compared to 2021 AD, with a value of 28,309,740 riyals.
- ❑ **The operating profit for the year 2022 increased by 36%, reaching 32,532,601 riyals, compared to 2021, by an amount of 23,998,562 riyals. Net profit for the fiscal year ending on 12/31/2022 increased by 45% to reach 31,838,431 riyals, compared to 2021, with an amount of 21,991,972 riyals.**
- ❑ **The reason for the increase in net profit for the fiscal year ending on 12/31/2022 is due to the following reasons:**
  - 1- An increase in rental income by 23% over the previous year
  - 2- A decrease in the cost of revenues by 3% compared to the previous year
  - 3- An increase in operating profit by 36% over the previous year

### Geographical Analysis of Company Revenues 2022:



### Company Revenue Analysis 2022:





The following table shows the Company's statement of financial position for the years (2018-2019-2020-2021-2022):

SR	2018	2019	2020	2021	2022
Assets					
<b>Non-current assets</b>					
Properties and equipment, net	1,244,982	1,184,671	1,145,170	1,219,891	1,489,531
Investment properties, net	499,887,409	492,731,837	494,288,317	489,424,700	481,883,281
Intangible assets	2	2	2	2	24,122
<b>Total non-current asset</b>	501,132,393	493,916,510	495,433,489	490,644,593	483,396,934
<b>Current assets</b>					
Cash and cash equivalent	46,583,197	25,170,426	42,726,391	60,705,788	51,156,462
Receivables due from operating leases, net	8,559,866	10,393,883	6,583,344	10,942,572	3,151,261
Prepaid and other receivables	2,657,408	9,068,345	1,413,593	973,270	1,330,608
Investment in associates	9,633,415	4,936,585	4,292,683	5,131,707	3,189,832
<b>Total current assets</b>	67,433,886	49,569,239	55,016,011	77,753,337	58,828,163
<b>Total assets</b>	568,566,279	543,485,749	550,449,500	568,397,930	542,225,097

The following table shows the Company's statement of financial position for the years (2018-2019-2020-2021-2022):

SR	2018	2019	2020	2021	2022
<b>Equity and liabilities</b>					
<b>Equity</b>					
Capital	2,000,000	2,000,000	400,000,000	400,000,000	400,000,000
Statutory Reserve	1,000,000	1,000,000	3,333,930	5,533,127	8,716,970
Additional capital contributions	189,190,000	189,190,000	0	0	0
Retained earnings	148,712,194	147,373,149	67,289,447	87,082,222	115,736,810
Other reserves <sup>1</sup>	30,779	29,314	56,626	(50,303)	(130,297)
<b>Total shareholder equity</b>	<b>340,932,973</b>	<b>339,592,463</b>	<b>470,680,003</b>	<b>492,565,046</b>	<b>524,323,483</b>
<b>Non-current liabilities</b>					
Due to long-term related parties	192,129,429	176,203,421	61,444,993	55,798,917	0
Employees Defined Benefit Obligations	70,115	127,523	185,040	365,717	570,583
<b>Total non-current liabilities</b>	<b>192,199,544</b>	<b>176,330,944</b>	<b>61,630,033</b>	<b>56,164,634</b>	<b>570,583</b>



The following table shows the Company's statement of financial position for the years (2018-2019-2020-2021-2022):

SR	2018	2019	2020	2021	2022
<b>current liabilities</b>					
<b>Creditors of purchasing investment properties in installments</b>	16,223,048	7,526,219	7,526,219	7,526,219	5,043,731
<b>Due and other credit balances</b>	17,712,587	18,839,282	9,111,913	10,049,892	10,456,605
<b>Related parties</b>	520,000	370,000	240,000	0	0
<b>Zakat Provision</b>	978,127	826,841	1,261,332	2,092,139	0
<b>Total current liabilities</b>	35,433,762	27,562,342	18,139,464	19,668,250	1,830,695
<b>Total Equity and liabilities</b>	568,566,279	543,485,749	550,449,500	568,397,930	17,331,031

Investment properties have been recorded according to the cost model, where investment properties are shown at cost less accumulated depreciation and any impairment losses (if any). The administration contracted with Al-Duhaim Real Estate Appraisal Office (an independent external real estate evaluator accredited by the Saudi Authority for Accredited Residents). The fair value of investment properties on 31/12/2022 amounted to 1,395,150,074 riyals, compared to the fiscal year ending on 31/12/2021, amounting to 1,380,047,559 riyals.

#### **Accounting Standards:**

The company's financial statements were prepared during the fiscal year ending on 31/12/2022 AD in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and approved in the Kingdom of Saudi Arabia, and other standards and publications approved by the Saudi Organization for Auditors and Accountants.

## Regulatory payments due during the year ended December 31, 2022:

Description	Paid	Due
Value Added Tax	6,379,329	243,597

## Employees Defined Benefit Obligations 2022:

Description	SR
Balance at the beginning of the year	365,717
The present value of the defined benefits obligations upon profit and loss.	124,365
Interest cost	9,289
Premeasurement of the defined benefits obligations in other comprehensive income.	79,994
The net inclusion in the statement of other comprehensive income.	213,648
Payments made during the year	(8,782)
Balance as of December 31	570,583




# Risks

**Risks related to the ability of the Company to renew the lease contracts executed with current lessees or to execute new contracts with new lessees, or its inability to execute such contract with favorable terms:**

The revenues of the Company depend on the lease contracts executed with current lessees and / or re-lease any unrented spaces within the real estates owned by the Company and prepared for rent. The average duration of lease contracts executed by the Company ranges between three (3) and five (5) years. The Company seeks to re-negotiate with its lessees three (3) months prior to expiry of lease contracts, in order to execute new lease agreements in accordance with new rent terms and durations. Therefore, in case the lease contract is terminated suddenly during the duration of contract, this affects negatively essentially on the revenues of the Company.

The Company cannot guarantee that its current tenants will renew the lease contracts executed with them when the contracts expire; the Company also may not be able to renew the lease contracts executed with current tenants with similar conditions to the current lease contracts or with better conditions. In case of not renewing any lease contracts, the tenants whose contracts are expired may delay in evacuating and handing over the properties to the Company or to the new tenants, this may lead to recession in the average occupation percent in the Company properties prepared for rent (average of occupation percent in the Company properties prepared for rent (93%) as of 31 December 2022AD).

If the Company is not able to renew the lease contracts executed with current tenants or execute new contracts with new tenants, or it is not able to execute these contracts with favorable conditions as a result of any factors, including that the Company properties lost their attraction, this may lead to decrease in the Company revenues and will have an essential and negative effect on the Company business, results of its operations, its financial status and future prospects.

A detailed architectural floor plan is shown in the background, featuring various rooms, corridors, and structural elements. A metal ruler and a pair of compasses are placed on the drawing, suggesting a professional or technical context.

**Risks related to the  
company's activities  
and operations**



### **Risks related to the economic performance of the Kingdom:**


The expected future performance of the Company depends on number of factors related to the economic status in the Kingdom generally, including, but not limited to: inflation factors, domestic product growth and the average income of individual, and the like. The total and partial economy of the Kingdom depends basically on the oil and oil industry that still controls large share of total domestic product. Therefore, any unfavorable fluctuations occur in the oil prices will have their direct and essential impact on the plans and growth of the Kingdom economy generally and on governmental expenditure rates; that may affect negatively the financial performance of the Company, as it works within the system of the Kingdom economy and is influenced by the governmental expenditure rates. The continuity of the Kingdom economy growth depends also on other factors including the continuity of population growth, investments of both governmental and private sectors in the infrastructure. Therefore, any negative change in any of these factors will have a major effect on economy and accordingly will affect negatively and essentially on the Company business, its financial results and its future prospects.

### **Risks related to political and economic instability in the Middle East Region:**

The financial performance of the Company depends on the economic and political circumstances prevailing in the Kingdom, in addition to the world economic and political circumstances that in turn affect the Kingdom. Some Middle East Countries suffer from economic and political instability, and there are no guarantees that such economic and political circumstances in those countries or any other countries will have no negative and essential effect on the Kingdom. Accordingly, any negative change in any of these circumstances shall affect negatively and essentially on the Company business, its operations results, its financial position and its future prospects.

### **Risks related to Applying the Corporate Governance Regulations:**

The Capital Markets Authority Council issued the Corporate Governance Regulations under decision no. (8-16-2017), dated: 16/05/1438 A. H. (corresponding to 13/02/2017AD), and in accordance to the Companies Law issued by the Royal Decree No. F/3 ,(3/م) dated: 28/01/1437 A.H., amended by the resolution of the Capital Markets Authority no. 8-5-2023AD, dated: 25/06/1444 A.H. (corresponding to 18/01/2023AD), in accordance with the Companies Law issued by the Royal Decree No. F/13 ,(132/م) dated: 01/12/1443 A.H.; though the Corporate Governance Regulations are deemed guidance for companies listed in parallel market as on date of this document; yet if the regulation is obligatorily applied, then the success of the Company in applying the governance correctly depends on how far the Board of Directors, its committees, executive management and staff of the company comprehend and understand those rules and procedures. If the Company does not comply with that, it shall be subject to disciplinary offences by Capital Markets Authority, and this will have a negative and essential effect on the Company business, its financial position and its operations results.




**Risks related to Market  
and sector risks**

### **Risks related to not complying with the current systems and laws / or issuing new systems and laws:**

The company is subject to supervision of various governmental authorities in the Kingdom, including for example but not limited to: Ministry of Industry and Mineral Resources, General Authority of Metrology and Environmental Protection, Capital Markets Authority and Ministry of Trade; accordingly the Company is subject to the risks of changes in laws, regulations, circulars, and policies in the Kingdom. The legislative and regulatory environment in the Kingdom witnesses issuing of many laws and regulations that are developed and improved constantly. The costs of compliance with these laws are high. If any changes are made to the current laws and regulations, or new laws and regulations are issued, then this will lead to the company incurring unexpected additional financial expenses for the purposes of complying with these regulations and fulfilling the requirements of these laws or may be subject to penalties and fines imposed by the competent supervisory authorities if the Company does not comply with these regulations and laws constantly; this will negatively affect its business, results of operations, its financial position and future expectations.

### **Risks related to non-liquidity of real estate assets:**

The real estate is deemed fixed assets that cannot be easily liquidated, therefore the Company will not be able to sell any of its assets with acceptable price or it faces difficulties in this regard (particularly in real estate market recession times); sale price of any of these properties may be low, especially if the Company had to sell the properties promptly. In addition, the real estate sector previously witnesses many changes and fluctuations in the values of real estate; as some market circumstances may lead to decrease of real estate value owned by the Company. The inability of the Company to sell or transfer the ownership of its real estate with acceptable prices to affect negatively and essentially on the Company business, results of operations, its financial position and future expectations.



**Risks related to Market  
and sector risks**



### Risks related to value-added tax and real estate transaction tax

The Kingdom issued the Law of Value Added Tax, which entered into force on 1 January 2018AD. This Law imposes an added value with 15%, and the Company has to adapt to changes resulting from applying the value added tax and the emerged increase. The Royal Ordinance No. (D/84) (1/84) dated: 14/02/1442 A.H. (corresponding to 01/10/2020AD) was issued with the following ordinances:

First: the real estate incomes, made after the provisions stated in this Ordinance are enforceable, shall be exempt from value added tax.

Second: to return what is paid of value added tax after the enforceability of the provisions stated in this Ordinance on the entries of the licensed real estate developers, in accordance with controls of refund and relevant rules approved by Minister of Finance, President of the Board of Directors of General Authority of Zakat and Income (Authority of Zakat, tax and Customs currently), in coordination with Minister of Housing. The Minister of Finance, the president of the Board of Directors of General Authority of Zakat and Income (Authority of Zakat, Tax and Customs currently), approves a list of the names of those developers, that list is to be updated regularly.

Third: to impose a tax in the name of (Real Estate Transactions Tax) on the real estate incomes made after enforceability of the provisions stated in this Ordinance, with a percentage (5%) of the real estate income value, to be collected at notarizing the real estate transaction.

Fourth: for the purposes of executing the stated in clauses (First) and (Third) above, the Minister of Finance – President of Board of Directors of the General Authority of Zakat and Income (General Authority of Zakat, Tax and Customs currently) defines the real estate incomes to be exempted from value added tax and subject to real estate transactions tax.

By imposing real estate tax on real estate incomes made, with 5% of real estate income value, and the Royal Ordinance was entered into force on 17/02/1442 A.H. (corresponding to 04/10/2020AD), therefore the Company will pay this tax to all real estate transactions conducted by it; this means that the Company must adapt to any changes resulting from applying real estate transaction tax. The difference between value added tax and real estate transaction tax is that the real estate transaction tax is related to real estate incomes made in the purpose of ownership transfer or right of disposal thereof as an owner; while value added tax is imposed on all non-real estate services and goods.

Any violation or wrongful application of value added tax or real estate transaction tax by the Company management will subject it to fines or penalties, or lead to harming their reputation, which will increase costs and operational expenses; this may decrease the competitive position of the company and the demand level on its services, which will have an essential and negative effect on the Company, its financial status, results of its operations and future expectations.

### Risks related to Market and sector risks



### **Risks Related to the Effect of Fluctuations in Real Estate Asset Values:**

The value of real estate is affected by many factors, including: economic considerations, governmental regulations, property management, competition, location, and the quality of construction. As most of the company assets are real estate properties and investments related to it, whose value as on December 31, 2022 AD is (481,883,281) SAR, representing (89%) of the company total assets; so any negative change in the real estate values of the assets will negatively and materially affect the company business, results of operations, financial performance, profitability and future prospects.

### **Risks Related to Real Estate Assessment and Valuation:**

It is difficult to predict the value of real estate assets because of the unique and individual nature of each real estate and because of the local and regional characteristics of the real estate market that are subject to change with the passage of time, and which are affected by multiple factors that include the assessment and valuation methods used, and therefore the company real estate is subject to being valued at a lower value than what is recorded in the company financial statements, whether because of the actual decrease in its market value or because the real estate valuation was based upon assumptions that may be wrong; the matter that will negatively and materially affect the company business, results of operations, financial performance and future prospects.

### **Risks Related to Competitive Environment:**

The company practices its business in a strong competitive environment, and there is no guarantee that the company will continue to be able to compete effectively with other companies in the market, and the company may often resort to changing its pricing and leasing policy to maintain its market share, and therefore there is no guarantee that the company will be able to continually compete with these companies, which may lead to a decrease in the company share in the market and thus negatively affect the company profits and financial results.



**Risks related to Market  
and sector risks**



### **Risks Related to Changing the Mechanism of Calculating Zakat:**

The General Authority for Zakat and Income issued the Circular No. 6768/16/1438AH on 05/03/1438 AH (correspondent to 05/12/2016 AD), which obligates the Saudi companies listed in the Financial Market to calculate income and Zakat on the basis of the nationality of shareholders, as well as the actual ownership among Saudi and Gulf citizens and others, in the manner contained in "Tadawulaty System" at the end of the year. Prior to the issuance of this circular, companies listed in the financial market were generally subject to paying Zakat or tax on the basis of the ownership of their founders in accordance with the Articles of Association of such companies, and the effect of listed shares was not taken into consideration in terms of determining the Zakat base. This circular was to be applied in the year ending on December 31, 2016 AD and the years following that. However, the General Authority for Zakat and Income issued its letter No. 12097/16/1438AH dated 19/04/1438 AH (correspondent to 17/01/2017 AD), which requires postponing the execution of the circular for the fiscal year ending on December 31, 2017 AD and the years following that. Until the General Authority for Zakat and Income issues its directives regarding the mechanisms and procedures of executing this circular, the execution of this circular, including the final requirements that must be fulfilled, is still under consideration, as well as the rules imposing income tax on all non-Gulf residents who are shareholding in the listed Saudi companies, which apply the withholding tax on the distribution of dividends of non-resident shareholders regardless of their nationalities, and in the event that the financial impact of this circular, if applied, is significant, or if the company incurs additional costs to take the necessary steps and procedures to ensure compliance with it, then this will affect its business, the results of its operations, its financial position and its future prospects.



**Risks related to Market  
and sector risks**

The company, as at the date of this document, is a party to lawsuits filed by it in its capacity as claimant, estimated in an amount of one million three hundred and twenty six thousand nine hundred and seventy three Saudi Riyals (1,326,972 SAR), and they are shown in the following table:

No	Parties	Lawsuit Type	Claim Value	Lawsuit status as at the date of this document
1	Iyad Hisham Al-Hibi – Namar and Reham Company	Financial claim for a real estate rent	35,067	An award was issued and it was submitted to the Execution Court, awaiting payment
2	Amal Saeed Maeed Hawerzi – Glass Arts Factory	Financial claim for a real estate rent	78750	A final award was issued, and the decision of executing the award was issued, awaiting payment
3	Imdad Trading Platform Establishment	Financial claim for a real estate rent	230,000	Electronic Lease Contract – the execution application has been submitted and is still under execution
4	Rayan Majri Hussein Al-Subaie Establishment for Maintenance and Finishing	Financial claim for a real estate rent	85,100	Electronic Lease Contract – the execution application has been submitted and is still under execution
5	Intilaaqah Commercial Services Company – one person company	Financial claim for a real estate rent	144,562	Electronic Lease Contract – the execution application has been submitted and is still under execution
6	Ghoufran of Abdulhameed Al-Halawani	Financial claim for a real estate rent	133,485	Financial claim before the High Court and is still in progress
7	Bashir Ahmed Aqilan Printing Press – Munir Abu Samrah	Financial claim for a real estate rent	60,367	Stoppage of services and a claim of payment and is still in progress
8	Abu Safi Trading Establishment	Financial claim for a real estate rent	171,290	Financial claim before the High Court and is still in progress
9	Omar Hassan Sharahili Establishment	Financial claim for a real estate rent	140,420	Stoppage of services and a claim of payment, a lawsuit against Omar Musa Sharahili, and is still in progress
10	Northern Face Establishment	Financial claim for a real estate rent	140752	A lawsuit against Sultan Enad Al-Subaie, and is still in progress
Total			1326973	

\* The name of the lessee has been updated.

Risks Related to  
Lawsuits





Based on the Board of Directors meeting No. (4), dated September 05, 2022 AD, the Board of Director issued its resolution by approving the payment of the total amount due amounting to (55,798,917 SAR) fifty five million seven hundred and ninety eight thousand nine hundred and seventeen Saudi Riyals to the heirs of Ibrahim bin Saad AlMousa "may Allah have mercy on him".

	Parties	Nature of Relationship	Transaction/ Dealing Type	31/12/2021	31/12/2022
1	Ibrahim Saad Mohamed AlMousa "may Allah have mercy on him"	Shareholder	Financing	55,798,,917	0

Accordingly,

The company does not have bank or financing facilities until the date of this document.

**Bank Facilities and  
Financing**

The first Ordinary General Assembly (second meeting) of the company shareholders on 06/11/1443 AH (corresponding to 05/06/2022 AD) approved licensing the members of the company Board of Directors for the "previous session" to participate and engage in business that is considered competitive to the company.

The table below shows the details of the engagement of the members of the Board of Directors for the "previous session that was ended on 05/06/2022 AD" in competitive business:

Company/Competitive Business	Member's Capacity in the Competitive Company		Nature of Business of the Competitive Company	Competition Availability
	Member of the Board of Directors/Manager	Owner (Direct Ownership)		
Mr. Abdullah bin Ibrahim Saad AlMousa "may Allah have mercy on him" *				
Abdullah Ibrahim AlMousa Real Estate Office	Yes	Yes	Real Estate	Yes, Competition Available
Mr. Saad bin Ibrahim Saad AlMousa **				
Saaf International Company for Investment and Real Estate Development	Yes	Yes	Real Estate	Yes, Competition Available
AlMousa Reconstruction Company	Yes	Yes	Real Estate	Yes, Competition Available
Mr. Mohamed bin Ibrahim Saad AlMousa				
Enma Al-Sahari Establishment	Yes	Yes	Contracting	Yes, Competition Available
Mohamed AlMousa Real Estate Office Establishment	Yes	Yes	Real Estate	Yes, Competition Available
Mr. Fahd bin Ibrahim Saad AlMousa				
Daaem Real Estate Company	Yes	Yes	Real Estate	Yes, Competition Available
Mr. Abdulaziz Hamad Mohamed AlMousa				
Asaleeb Investment and Real Estate Development Company Limited	Yes	Yes	Real Estate	Yes, Competition Available
Asaleeb Limited Establishment	Yes	Yes	Contracting	Yes, Competition Available
Asaleeb Tala Limited Establishment	Yes	Yes	Contracting	Yes, Competition Available
Asasat Al-Arabia Company for Investment and Real Estate Development	Yes	Yes	Real Estate	Yes, Competition Available
Mr. Abdulaziz Mohamad Abdulaziz AlMousa				
Boudl Hotels and Resorts Company	Yes	No	Hotels Operation	Yes, Competition Available
Aseer Investment Company	Yes	No	Real Estate	Yes, Competition Available
Tharawat Securities Company	Yes	No	Real Estate	Yes, Competition Available
Riyadh Real Estate Development Fund	Yes	No	Real Estate	Yes, Competition Available
Riyadh Financial Company (Investment Manager)	Yes	No	Real Estate	Yes, Competition Available
Abraaj Al-Sa'a Towers of Makkah (Chief Executive Officer (CEO))	Yes	No	Real Estate	Yes, Competition Available

\* He died (passed away to the mercy of Almighty Allah) on 04/06/2022 AD.

\*\* Member in the session ended on 05/06/2022 AD.

## Engagement in Competitive Business





The table below shows the details of the engagement of the members of the Board of Directors for the "current session until December 31, 2022 in competitive business:

Company/Competitive Business	Member's Capacity in the Competitive Company		Nature of Business of the Competitive Company	Competition Availability
	Member of the Board of Directors/Manager	Owner (Direct Ownership)		
Mr. fahd bin Ibrahim Saad AlMousa				
Daaem Real Estate Company – One Person Company	Manager	Owner	Real Estate Development	Yes, Competition Available
Mr. Abdulaziz bin Ibrahim Saad AlMousa				
Mozoon Al-Takamol Real Estate Development Company	Manager	Yes	Real Estate	Yes, Competition Available
Mr. Mohamed bin Ibrahim Saad AlMousa				
Enma Al-Sahari Establishment	Manager	Owner	Contracting	Yes, Competition Available
Mr. Anas bin Ibrahim Saad AlMousa				
Saaf International Company for Investment and Real Estate Development	Member	Yes	Investment and Real Estate Development	Yes, Competition Available
Mr. Abdulaziz Hamad Mohamed AlMousa				
Asasat Al-Arabia Company for Investment and Real Estate Development	Yes	Yes	Real Estate	Yes, Competition Available

**Engagement in  
Competitive  
Business**

## The company's board of directors, committees and senior executives

### Board of Directors



**-Fahd Ibrahim AlMousa**

Non-Executive Chairman of the Board of Directors  
Master of International Management



**-Abdulaziz Ibrahim AlMousa**

Executive Deputy Chairman of the Board of Director and the Managing Director  
Executive member \ Master of International Trade



**-Mohamed Ibrahim AlMousa**

Non-Executive \ Businessman



**-Ahmed Ibrahim AlMousa**

Non-Executive \ Bachelor of Media



**-Anas Ibrahim AlMousa**

Non-Executive \ Bachelor of Marketing



**-Abdulaziz Hamad AlMousa**

Independent \ Bachelor of Arts



**-Abdulaziz Mohamed AlMousa**

Independent \ Bachelor of Business Administration



**-Abdullah bin Abdulrahman Al Sheikh**

Independent \ Master of Managerial Accounting

### Senior executives



**- Abdulaziz Ibrahim AlMousa**

Managing member \ Master of International Trade



**-Mohamed Mansour Abahussein**

CEO \ Bachelor of Planning and Organization Management



**-Mohamed Saber Hammad Saber**

CFO \ Bachelor of Commerce and Accounting

### Audit committee members



**-Ibrahim Mohamed Al-Suwailem**

Chairman of the Audit Committee  
Master of Accounting



**-Abdullah Hamad Al-Rabee**

Member \ Bachelor of Marketing



**-Anas Ibrahim AlMousa**

Member \ Bachelor of Marketing

### Remuneration and Nominations Committee Members



**-Abdulaziz Mohamed AlMousa**

Chairman of the Remuneration and Nomination Committee \ Bachelor of Business Administration



**-Fahd Ibrahim AlMousa**

Member \ Master of International Management



**-Mohamed Ibrahim AlMousa**

Member \ Businessman



Chairman of the Board of Directors  
& Member of the Remuneration and  
Nomination Committee

**Fahd Ibrahim  
AlMousa**

Saudi

**Educational Qualification:**

- Bachelor of Financial Management from King Saud University in the Kingdom of Saudi Arabia in the year 2006AD.
- Master of International Management from the University of Bradford in the United Kingdom in the year 2007AD

**Practical Experience:**

- 2011 – 2014 – Chief Executive Officer (CEO) – Yamama Hills – Developing real estate projects
- 2016– current position – Member of the Board of Directors of Inspirational Projects Company – Limited Liability Company
- 2014 – 2020– Chief Executive Officer (CEO) – Drnef Hotels – Makkah Al Mukarramah
- 2021– current position – General Manager – Daaem Real Estate Company – Real Estate Development
- 2022– Current Position – Chairman of the Board of Directors and Member of the Remuneration and Nomination Committee at Enma Alrawabi Company (joint stock company listed on Nomu Market) – Real Estate Development

**Membership in the Boards of Directors of other Companies:**

- Daaem Real Estate Company – Limited Liability Company
- Inspirational Projects Investment Company – Limited Liability Company
- Falak Najd Trading Company – Limited Liability Company



Deputy Chairman of the Board  
of Directors  
& the Managing Director

**Abdulaziz Ibrahim  
Saad AlMousa**

Saudi

**Educational Qualification:**

- Bachelor of Media from King Saud University in the Kingdom of Saudi Arabia in the year 2011AD.
- Master of International Trade from Middlesex University in the United Kingdom in the year 2015AD

**Practical Experience:**

- Occupies the position of the Deputy Chairman of the Board of Directors and the Managing Director at Enma Alrawabi Company as from June 2022AD until now.
- Occupied the position of Corporate Accounts Manager in the central region at American Express Saudi Arabia Company (closed joint stock company working in the field of financial services) as from the year 2018AD AD to the year 2021 AD.
- Occupied the position of the Executive Assistant of the Chief Executive Officer (CEO) at JCDcaux ATA Company(closed joint stock company working in the field of advertising services) as from the year 2017 AD to the year 2018 AD.

**Membership in the Boards of Directors of other Companies:**

- Mozoon Al-Takamol Real Estate Development Company – Limited Liability Company – Executive Member – As from 21/12/1443 AH until now.





Member of the Board of Directors  
& Member of the Audit Committee

**Anas Ibrahim  
Saad AlMousa**

Saudi

**Educational Qualification:**

-Bachelor of Marketing from King Saud University in the Kingdom of Saudi Arabia in the Year 1426 AH .

**Practical Experience:**

-Experience in investment, development, real estate marketing, real estate assessment, maintenance, and operation for more than (8) years.

**Membership in the Boards of Directors of other Companies:**

None



Member of the Board of Directors

**Ahmed Ibrahim  
Saad AlMousa**

Saudi

**Educational Qualification:**

-Bachelor of Media from King Saud University in the Kingdom of Saudi Arabia in the Academic Year 1420-1421 AH .

**Practical Experience:**

-Experience in investment, development, real estate marketing and real estate assessment as from the year 1410AH until now.

**Membership in the Boards of Directors of other Companies:**

None



Member of the Board of Directors  
& Member of the Remuneration and  
Nomination Committee

**Mohamed Ibrahim  
Saad AlMousa**

Saudi

**Educational Qualification:**

- Secondary Stage Certificate (scientific Division) from Abu Bakr Al-Siddiq Secondary School in the Kingdom of Saudi Arabia in the year 1403 AH.

**Practical Experience:**

- Experience in investment, development, real estate marketing and real estate assessment for more than (34) years.

**Membership in the Boards of Directors of other Companies:**

None



Member of the Board of Directors

**Abdullah bin Abdulrahman  
Abdullah Al Sheikh**

Saudi

**Educational Qualification:**

- Bachelor of Accounting from King Saud University in the Kingdom of Saudi Arabia in the year 1984AD.
- Master of Managerial Accounting from the University of Aberdeen in the United Kingdom (Britain) in the year 1992.
- Certificate of Financial Analysis from the Institute of Financial Advisors, Canada, in the year 2007AD.

**Practical Experience:**

- 2008-2019AD – Financial and control affairs and governmental authorities relations at King Faisal Specialist Hospital and Research Center.
- 2019-2021 – Financial affairs, catering, procurement, customer relations, and insurance at the Saudi Medical Care Group.
- 2021 – Current position – Financial and banking affairs, investments and governance at Al-Rajhi Awqaf.

**Membership in the Boards of Directors of other Companies:**

- Independent member of the Audit Committee of the Allied Cooperative Insurance Group (ACIG) since 18/06/2022.



Member of the Board of Directors

**Abdulaziz Hamad  
Mohamed AlMousa**

Saudi

**Educational Qualification:**

- Bachelor of Arts from King Saud University in the Kingdom of Saudi Arabia in the Year 1412 AH (1991 AD).

**Practical Experience:**

- Experience in contracting, investment and real estate development for more than (33) years.

**Membership in the Boards of Directors of other**

**Companies:**

- Non-executive member at Building Chemicals Industry Company.
- Non-executive member of Asasat Al-Arabia Company for Investment and Real Estate Development.
- Executive member of Asaleeb Investment and Real Estate Development Company (under liquidation).



Member of the Board of Directors  
& Chairman of the Remuneration  
and Nomination Committee

**Abdulaziz Mohamed  
Abdulaziz AlMousa**

Saudi

**Educational Qualification:**

- Bachelor of Business Administration – Principal Major: Finance – Secondary Major: Economics –Indiana University – Kelley College of Business Administration in Bloomington – USA, in the year 2008 AD.
- Certificate of Financial Analysis (CFA) Financial Analysis Certificate from CFA institute in Charlottesville, Virginia, USA, in the year 2013AD.

**Practical Experience:**

More than 15 years of experience in the field of investment, real estate development, consulting, management and development of funds and assets for transactions exceeding 30 billion USD (for more than 20 thousand hotel rooms in the Kingdom of Saudi Arabia and the countries of the Gulf Cooperation Council).

**Membership in the Boards of Directors of other Companies:**

- Member of the Board of Directors (non-executive) in Boudl Hotels and Resorts Company (closed joint stock company).
- Member of the Board of Directors (non-executive) in Tharawat Securities Company (closed joint stock company).
- Committee member (non-executive) in the Executive Committee of Aseer Investment Company (a subsidiary of the Public Investment Fund (PIF)) (investment company).
- Committee member (non-executive) in the real estate committee of the Saudi Capital Market Authority (CMA) (a committee appointed to supervise and develop real estate products in the Saudi financial market).
- Fund Board member (non-executive) in Riyadh Financial Real Estate Development Fund "Jawharat Jeddah" (investment fund).
- Fund board member (non-executive) in Riyadh Financial Real Estate Development Fund "Jawharat Al Riyadh" (investment fund).
- Fund board member (non-executive) in Riyadh Financial Fund for Housing Development (investment fund).

## Memberships for members of the Board of Directors

Names of companies inside or outside the Kingdom in which a member of the company Board of Directors is a member of its current Board of Directors or one of its managers until December 31, 2022AD:

Name	Company Name	Inside the Kingdom/Outside the Kingdom	Legal Status
<b>Fahd Ibrahim AlMousa</b>	Inspirational Projects Company	Inside the Kingdom	Limited Liability Company
	Falak Najd Trading Company	Inside the Kingdom	Limited Liability Company
<b>Abdulaziz Ibrahim AlMousa</b>	Mozoon Al-Takamol Real Estate Development Company	Inside the Kingdom	Limited Liability Company
<b>Mohamed Ibrahim AlMousa</b>	Enma Al-Sahari Contracting Corporation	Inside the Kingdom	institution
<b>Abdulaziz Mohamed AlMousa</b>	Boudl Hotels Management Company	Inside the Kingdom	Closed Joint Stock Company
	Tharawat Securities Company	Inside the Kingdom	Closed Joint Stock Company
	The Executive Committee of Aseer Investment Company (a subsidiary of the Public Investment Fund (PIF))	Inside the Kingdom	Investment Fund
	The Real Estate Committee of the Saudi Capital Market Authority (CMA)	Inside the Kingdom	-
	Riyad Finacial Real Estate Development Fund "Jawharat Jeddah"	Inside the Kingdom	Investment Fund
	Riyad Financial Real Estate Development Fund "Jawharat Al Riyadh"	Inside the Kingdom	Investment Fund
	Riyad Financial Real Estate Development Fund	Inside the Kingdom	Investment Fund
<b>Abdulaziz Hamad AlMousa</b>	Asasat Al-Arabia Company for Investment and Real Estate Development	Inside the Kingdom	Limited Liability Company
<b>Abdullah Abdulrahman Al Sheikh</b>	Allied Cooperative Insurance Group (ACIG)	Inside the Kingdom	Joint Stock Company



## Board members meetings

Name	Meeting			
	January 05, 2022AD	March 31, 2022AD	June 08, 2022AD	September 05, 2022AD
Ibrahim Saad AlMousa "May Allah have mercy on him"	He died (passed away to the mercy of Almighty Allah) on 31/12/2021 AD			
Abdullah Ibrahim AlMousa "May Allah have mercy on him"	✓	✓	He died (passed away to the mercy of Almighty Allah) on 04/06/2022 AD	
Saad Ibrahim AlMousa	✓	✓	Membership ends on 05/06/2022AD	
Fahd Ibrahim AlMousa	✓	✓	✓	✓
Abdulaziz Ibrahim AlMousa	✓	✓	✓	✓
Mohamed Ibrahim AlMousa	✓	✓	✓	✓
Ahmed Ibrahim AlMousa	Membership begins on 05/06/2022AD		✓	✓
Anas Ibrahim AlMousa	Membership begins on 05/06/2022AD		✓	✓
Abdulaziz Hamad AlMousa	✓	✓	✓	✓
Abdulaziz Mohamed AlMousa	✓	✓	✓	×
Abdullah Abdulrahman Al Sheikh	Membership begins on 05/06/2022AD		✓	✓

### Audit Committee members' meetings for the year 2022 AD:

Meetings	Date	Ibrahim Mohamed Al-Suwailem	Ahmed Ibrahim Saad AlMousa	Anas Ibrahim Saad AlMousa	Abdullah Hamad Al-Rabee
Number (1)	24\1\2022	✓	✓	✓	Membership begins on 05/06/2022AD
Number (2)	09\03\2022	✓	✓	✓	
Number (3)	22\06\2022	✓	Membership ends on 05/06/2022AD	✓	✓
Number (4)	25\08\2022	✓		✓	✓

### Meetings of the members of the Remuneration and Nomination Committee for the year 2022 AD:

Meetings	Date	Abdulaziz Mohamed AlMousa	Fahad Ibrahim Saad AlMousa	Abdullah Ibrahim AlMousa	Mohamed Ibrahim Saad AlMousa
Number (1)	23\01\2022	✓	✓	×	Membership begins on 05/06/2022AD
Number (2)	03\03\2022	✓	✓	✓	
Number (3)	13\03\2022	✓	✓	✓	
Number (4)	15/12/2022	✓	✓	He died (passed away to the mercy of Almighty Allah) on 04/06/2022 AD	✓

## Committees \ Audit Committee

The first Ordinary General Assembly (second meeting), in its meeting held on 06/11/1443 AH (corresponding to 05/06/2022 AD), approved the formation of the Audit Committee, defining its duties, work controls, remuneration of its members, and the term of their membership, which started from the date of the Ordinary General Assembly on 05/06/ 2022 AD and ends on 08/05/2025 AD.

### **Overall Objective of the Audit Committee:**

The overall objective is to assist in improving the company business by ensuring that all control and governance procedures in the company work effectively, and to assist the Board of Directors, its committees and the executive management to carry out their business with a high degree of efficiency and effectiveness by following a systematic and organized method in carrying out the business.

### **Terms of Reference of the Audit Committee:**

The audit committee is responsible for monitoring the company business, and verifying the integrity and correctness of reports, financial statements and internal control systems. The committee's tasks include, in particular, the following:

### **Financial Reports:**

The Audit Committee shall be responsible for monitoring the company business, and verifying the integrity and correctness of reports, financial statements and internal control systems. The committee's tasks include, in particular, the following:

#### **A- Financial Reports:**

- 1- Studying the initial and annual financial statements of the company before submitting them to the Board of Directors and expressing its opinion and recommendation in their regard to ensure its integrity, fairness and transparency.
- 2- Expressing the technical opinion - at the request of the Board of Directors - as to whether the report of the Board of Directors and the company financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company financial position, performance, business model and strategy.
- 3- Examining any important or unusual issues that are included in the financial reports.
- 4- Examining with the due carefulness any issues rose by the financial manager of the company or whoever assumes his duties or the compliance officer in the company or the auditor.
- 5- Checking the accounting estimates regarding the material issues mentioned in the financial reports.
- 6- Studying the accounting policies applied in the company and expressing the opinion and the recommendation to the Board of Directors in this regard.



## Committees \ Audit Committee

### B- Internal Audit:

- 1- Examining the company internal and financial control and risk management systems.
- 2- Studying the internal audit reports and following up the implementation of the corrective measures for the notes contained therein.
- 3- Controlling and supervising the performance and activities of the internal auditor and the internal audit department in the company in order to verify the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned to them.
- 4- Provide the recommendation to the Board of Directors to appoint a director for the internal audit unit or department or the internal auditor and proposing his remuneration.

### C- Auditor:

- 1- Providing the recommendation to the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying that they are independent and reviewing the scope of their work and the terms and conditions of the contract concluded with them.
- 2- Verifying the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking the relevant rules and standards into consideration.
- 3- Reviewing the company auditor's plan and his work, verifying that he does not perform technical, administrative or advisory work that is outside the scope of the audit work, and expressing its views in this regard.
- 4- Answering the inquiries of the company auditor.
- 5- Reviewing the auditor's report and his observations regarding the financial statements and following up on what has been taken in their regard.

### D- Commitment guarantee:

- 1- Reviewing the results of the regulatory and control authorities' reports and verifying that the company has taken the necessary measures in this regard.
- 2- Verifying the company compliance with relevant laws, regulations, policies and instructions.
- 3- Reviewing the contracts and transactions proposed to be conducted by the company with the related parties, and submitting its views in this regard to the Board of Directors.
- 4- Raising the issues it deems necessary to take action on to the Board of Directors, and make recommendations regarding the actions to be taken.



Member of the Audit  
Committee  
**Abdullah bin Hamad  
Mohamed Al-Rabee**

Saudi

**Educational Qualification:**

- Bachelor of Accounting from King Saud University in the Kingdom of Saudi Arabia in the year 1997.

**Practical Experience:**

More than 25 years of experience in internal, financial and administrative auditing.



Member of the Audit  
Committee  
**Anas Ibrahim  
Saad AlMousa**

Saudi

**Educational Qualification:**

-Bachelor of Marketing from King Saud University in the Kingdom of Saudi Arabia in the Year 1426 AH .

**Practical Experience:**

-Experience in investment, development, real estate marketing, real estate assessment, maintenance, and operation for more than (8) years.



Chairman of the Audit  
Committee  
**Ibrahim Mohamed  
Al-Suwailem**

Saudi

**Educational Qualification:**

- Bachelor of Accounting from Imam Mohamed bin Saud Islamic University in the Kingdom of Saudi Arabia in the year 2009AD.  
- Master of Accounting from King Salman International University for the Arabic language in the Kingdom of Saudi Arabia in the year 2015AD.

**Practical Experience:**

- 13 years of experience in human resources and financial management

## Committees \ Remuneration and Nomination Committee

It is an advisory committee formed by a resolution of the Board of Directors of Enma Alrawabi Company, from which it derives its powers, and submits its reports to the Board of Directors, and it is consisted of people with good knowledge in the scope of the committee's work.

The Remuneration and Nomination Committee aims to assist the Board of Directors in dealing with the tasks related to the compensation of members of the Board of Directors, review the policies and programs related to rewards and succession plans of the Board Directors, in addition to provide the recommendation to the Board of Directors regarding the resolutions of the appointment and dismissal of the senior management, supervise the nomination process, provide the recommendation regarding the appointment and dismissal of members of the Board of Directors to be approved in the annual meeting of the shareholders, and develop and maintain the company governance policies. The duties of the committee include, in particular, the following:

1. Preparing a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board of Directors and the Executive Management, and submitting the same to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that the policy shall follow the standards related to performance, and it shall be disclosed and being verified in terms of its execution.
2. Clarifying the relationship between the granted rewards and the applicable rewards policy, and indicate any material deviation from this policy.
3. Periodically reviewing the remuneration policy, and evaluating its effectiveness in achieving the objectives set for it.
4. Providing the recommendation to the Board of Directors regarding the remuneration of the members of the Board of Directors, the committees emanating from the Board of Directors, and senior executives officials of the company in accordance with the approved policy.
5. Proposing clear policies and criteria for membership in the Board of Directors and the Executive Management.
6. Providing the recommendation to the Board of Directors regarding the nomination and re-nomination of its members in accordance with the approved policies and standards, taking into account not to nominate any person that is previously convicted of a breach of trust.
7. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying the positions of the Executive Management.
8. Determining the time that a member shall allocate for the business of the Board of Directors.



## Committees \ Remuneration and Nomination Committee

9. Performing and executing the annual audit of the necessary requirements of the appropriate skills or experience for the membership of the Board of Directors and the functions of the Executive Management.
10. Reviewing the organizational structure of the Board of Directors and the Executive Management and provide recommendations regarding the changes that can be made.
11. Annually verifying the independence of the independent members and making sure that there is no conflict of interest if the member is a member of the Board of Directors of another company.
12. Developing the job descriptions for the executive members, non-executive members, independent members and senior executives.
13. Developing special procedures in the event of a vacancy in the position of a member of the Board of Directors or a senior executive position.
14. Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the company interest.

**The formation of the Remuneration and Nomination Committee was also approved based on the resolution of the Board of Directors in its meeting No. (6) on 08/06/2022 AD, which approved the formation of the Remuneration and Nomination Committee in conjunction with the current Board of Directors session, which starts from 05/06/2022 AD and ends on 08/05/2025 AD, and naming its members as follows:**



**Abdulaziz Mohamed AlMousa**

Chairman of the Remuneration and  
Nomination Committee \ Bachelor of  
Business Administration



**Fahd Ibrahim AlMousa**

Member \ Master of International  
Management



**Mohamed Ibrahim AlMousa**

Member \ Businessman

**The Resumes of the members of the Remuneration and Nomination Committee are included in the Resumes of the members of the Board of Directors. Refer to page No. (43, 44, 45)**



**Deputy Chairman of the Board  
of Directors  
& the Managing Director**

**Abdulaziz Ibrahim  
Saad AlMousa**

**The Resume is mentioned on page (43)**



**Chief Executive Officer  
(CEO)**

**Mohamed Bin  
Mansour  
Abahussein**

Saudi

**Educational Qualification:**

- Bachelor of Planning and Organization Management from King Abdulaziz University in the Kingdom of Saudi Arabia in the year 2012AD.
- Intermediate university Certificate in marketing from the General Organization for Technical and Vocational Training in the Kingdom of Saudi Arabia in the year 2002AD.

**Practical Experience:**

- Occupies the position of the Chief Executive Officer (CEO) at Enma Alrawabi Company (joint stock company working in the field of investment and real estate development) from the year 2018 AD until 15/03/2023 AD.
- Occupied the position of Branch Manager at Al Rajhi Bank (public joint stock company working in the field of banking services) from the year 2005 AD to the year 2018 AD.
- Occupied the position of a marketing employee at the National Distribution Company (closed joint stock company working in the field of newspapers and magazines distribution) from the year 2003 AD to the year 2005 AD.



**Chief Financial Officer  
(CFO)**

**Mohamed Saber  
Hammad Saber**

Egyptian

**Educational Qualification:**

- Bachelor of Commerce – Accounting from Cairo University in the Arab Republic of Egypt in the year 1997AD.
- Fellow of the American Institute of Certified Public Accountants, Fellow of the American Institute of Management Accountants, Financial Advisor in Canada, Islamic banker certified by the General Council of Islamic Banks and Financial Institutions, and a Value Added Tax specialist.

**Practical Experience:**

- Occupies the position of the Director of the Financial Department in Enma Alrawabi Company (joint stock company working in the field of investment and real estate development) from the year 2011 AD until now.
- Occupied the position of the Senior Accountant in Al-Firdous International Company (limited liability company working in the field of real estate and trade) from the year 2001 AD to the year 2011 AD.
- Occupied the position of an accountant in the Saudi Mobile Company (limited liability company working in the field of communications) from the year 1998 AD to the year 2001 AD.
- Occupied the position of an accountant at Al-Farran Glass Factory (limited liability company working in the field of glass industry) from the year 1997 AD to the year 1998AD



## Remunerations Policy:

Work is underway to establish a remuneration policy, as the company, under this policy, when determining and disbursing the remunerations received by each member of the Board of Directors or the members of the committees of the Board of Directors or the executive management of the company, takes into account the relevant provisions contained in the Companies Act and the regulatory controls issued in executing thereof that are relevant to the listed joint stock companies, and the Corporate Governance Regulations issued by the Capital Market Authority, **taking the following into account:**

- 1- It shall be consistent with the company strategy and objectives.
- 2- Remunerations shall be provided for the purpose of urging the members of the Board of Directors and the executive management to succeed and develop the company at the long term, such as linking the variable part of the remunerations to long-term performance.
- 3- Remunerations shall be determined based on the job level, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experience, skills, and level of performance.
- 4- It shall be consistent with the volume, nature and degree of risks in the company.
- 5- Taking into account the practices of other companies in determining remuneration, while avoiding what may result in an unjustified increase in remuneration and compensation.
- 6- Aiming to attract, preserve and motivate the professional competencies, without exaggerating thereof.
- 7- It shall be prepared in coordination with the Nominations Committee when making new appointments.
- 8- Applying the cases of suspending the payment of the remuneration or recovering the same if it appears that it was decided on the basis of inaccurate information provided by a member of the Board of Directors or the Executive Management; this shall be applied to prevent the exploitation of the position to obtain undeserved remunerations.
- 9- Organizing to grant shares in the company to the members of the Board of Directors and the Executive Management, whether it is newly issued shares or shares purchased by the company.

### Other provisions related to the remunerations policy:

Members of the Board of Directors may not vote on the item of remunerations of the members of the Board of Directors at the meeting of the General Assembly.

The Board of Directors discloses, in its annual report, the details of the policies related to remunerations, the mechanisms for determining thereof, and the amounts and financial and in-kind benefits paid to each member of the Board of Directors in return for any executive, technical, administrative, or advisory work or positions.

The remunerations will be suspended or recovered if the General Assembly does not approve its disbursement.

**The remunerations and compensations of the Board of Directors and its committees are determined as follows:**

### First – Regarding lump sum remunerations:

- 1- The members of the Board of Directors, including the Chairman of the Board of Directors, are entitled to an annual remuneration of 40,000 SAR Based on Article No. 19 of the Articles of Association approved by the General Assembly..
- 2- The members of the Audit Committee, including the Chairman of the Committee, are entitled to an annual remuneration of 20,000 SAR Based on Article No. 22 of the Audit Committee Regulations approved by the General Assembly.
- 3- The members of the Remuneration and Nominations Committee, including the Chairman of the Committee, are entitled to an annual remuneration of 20,000 SAR Based on Article No. 20 of the Remuneration and Nomination Committee Regulations approved by the Board of Directors.

### Second – Regarding the attendance allowance:

- 1- The members of the Audit Committee, including the Chairman of the Committee, are entitled to an attendance allowance of 3,000 SAR for each session attended by the member.
- 2- The members of the Remuneration and Nominations Committee, including the Chairman of the Committee, are entitled to an attendance allowance of 3,000 SAR for each session attended by the member.

### Third – Regarding the remunerations of the Managing Director:

Based on the recommendations of the Remuneration and Nominations Committee, the managing director is entitled to a monthly remuneration of (20,000 SAR) twenty thousand Saudi Riyals against the executive and administrative work.

**Clarification of the relationship between the granted rewards and the applicable rewards policy, and any material deviation in this policy:**

These remunerations shall be disbursed based on the approved policies and regulations, and there is no material deviation in the remunerations granted to members of the Board of Directors, the Audit Committee, and the Remuneration and Nominations Committee.



## Policy of Distributing Profits:

According to Article Forty Six (46) of the Company Articles of Association, the company annual net profits shall be distributed after deducting all the general expenses and other costs as follows:

- 1- (10%) of the net profits shall be reserved to form a statutory reserve, and the Ordinary General Assembly may stop this reservation when the aforementioned reserve reaches (30%) of the paid-up capital.
- 2- A first payment of not less than (5%) of the paid-up capital shall be distributed from the remainder to the shareholders.
- 3- The remainder shall then be distributed among the shareholders as an additional share in the profits.

In accordance with the resolution of the first Extraordinary General Assembly (third meeting) held on Monday, 20/07/1443 AH, correspondent to 21/02/2022 AD, Article No. (46) of the Articles of Association (Policy of Distributing Profits) has been updated to be in accordance with the following:

**The company annual net profits shall be distributed after deducting all general expenses and other costs as follows:**

- 1- (10%) of the net profits shall be reserved to form a statutory reserve, and the Ordinary General Assembly may stop this reservation when the aforementioned reserve reaches (30%) of the paid-up capital.
- 2- A first payment of not less than (5%) of the paid-up capital shall be distributed from the remainder to the shareholders, or according to what the Ordinary General Assembly decides in this regard.
- 3- The remainder shall then be distributed among the shareholders as an additional share in the profits.

The Board of Directors of the company, in its resolution No. 09/T/2022AD(09/م/ت/2022) dated 07/04/2022 AD, provided the recommendation to the First Ordinary General Assembly to distribute cash profits for the fiscal year 2021 AD amounting to (20,000,000 SAR) twenty million Saudi Riyals, at a percentage of (5%) of the capital, at a rate of (0.50) Saudi Riyals per share at the end of negotiations on the day of the company Ordinary General Assembly meeting. Based on the results of the first Ordinary General Assembly (second meeting), which was announced on the Saudi Tadawul website on 06/06/2022 AD, it was decided **to not approve the same.**



Remunerations for committee members and senior executives for the year 2022:

Table (2)

Fixed rewards (except for attendance allowance)			Allowance for attending sessions 3000 for each session	Total
Audit committee members				
Ibrahim Yen Muhammad Ibrahim Al-Suwailem	Chairman of the review committee	20000	6000	26000
Ahmed bin Ibrahim Saad Al-Mousa	Audit Committee Member (Former)	10000	0	10000
Anas bin Ibrahim Saad Al-Mousa	Member of the review committee	20000	6000	26000
Abdullah bin Hamad Mohammed Al-Rabee	Member of the review committee	10000	6000	16000
Total		60000	18.000	78000
Rewards and Nominations Committee Members				
Abdulaziz bin Mohammed Abdulaziz Al-Mousa	Chairman of the Rewards and Nominations Committee	20000	3000	23000
Abdullah bin Ibrahim Saad Al-Mousa, "may God have mercy on him"	Member of the Rewards and Nominations Committee "Former"	10000	0	10000
Fahd bin Ibrahim Saad Al-Mousa	Member of the Rewards and Nominations Committee	20000	3000	23000
Muhammad bin Ibrahim Saad Al-Mousa	Member of the Rewards and Nominations Committee	10000	3000	13000
Total		60000	9000	69000

Table (3)

Name	Job Title	Fixed Rewards				Variable Rewards						End of service reward	Total rewards of executives on behalf of the Board of Directors, if any	Grand Total
		Salaries	Allowances	In-kind benefits	Total	Periodic rewards	earnings	short-term incentive plans	long-term incentive plans	Granted shares (the value is entered)	Total			
Muhammad bin Mansour Abahsain	CEO	420000	70000	-	490000	-	-	-	-	-	-	20417	-	510417
Mohamed Saber Hammad Saber	Financial Manager	183600	45900	-	229500	-	-	-	-	-	-	19125	-	248625
Total		603600	115900	-	719500	-	-	-	-	-	-	39542	-	759042

There are no arrangements or agreements under which a member of the Board of Directors, the Audit Committee, the Remuneration and Nominations Committee, or a senior executive waived any salary, bonus, or compensation as shown in Tables (1,2,3)



## Governance

**Actions and procedures taken by the Board of Directors to inform its members – especially the non-executive members - of the shareholders' proposals and observations regarding the company and its performance:**

The members of the Board of Directors are informed of all inquiries and proposals of the shareholders regarding the company and its performance, especially those indicated in the meetings of the General Assemblies. All questions and inquiries were addressed, replied to and documented in the minutes of the General Assemblies. In the event of receiving suggestions or observations from the shareholders, the Board of Directors shall inform its members, especially the non-executive members, of these suggestions/observations by any of the following means:

- 1- Meetings of the Board of Directors.
- 2- Meetings of the Committees of the Board of Directors.
- 3- Meetings of the General Assembly.

**Assemblies held during the year 2022 AD:**

**Attendance record of the members of the Board of Directors and committees in the Ordinary and Extraordinary General Assembly meetings:**

Name	Position	First Extraordinary Assembly "first and second meetings after an hour" 18/01/2022 AD	First Extraordinary Assembly "third meeting" 21/02/2022 AD	First Extraordinary Assembly "first meeting" 08/05/2022 AD	First Extraordinary Assembly "second meeting" 05/06/2022 AD
Mr. Abdullah bin Ibrahim AlMousa, "May Allah have mercy on him"	Former Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee	✓	✓	✓	He died (passed away to the mercy of Almighty Allah) on 04/06/2022 AD.
Mr. Saad Bin Ibrahim AlMousa*	Former member of the Board of Directors	✓	✓	✓	✓
Mr. Mohamed Bin Ibrahim AlMousa	Member of the Board of Directors and member of the Remuneration and Nominations Committee	✓	✓	✓	✓
Mr. Fahd bin Ibrahim AlMousa	Chairman of the Board of Directors and member of the Remuneration and Nomination Committee	✓	✓	✓	✓
Mr. Abdulaziz Bin Ibrahim AlMousa	Member of the Board of Directors	✓	✓	✓	✓
Mr. Abdulaziz Bin Hamad AlMousa	Member of the Board of Directors	✗	✓	✓	✓
Mr. Abdulaziz Bin Mohamed AlMousa	Member of the Board of Directors and Chairman of the Remuneration and Nominations Committee	✗	✓	✓	✓
Mr. Abdullah Bin Abdulrahman Al Sheikh**	Member of the Board of Directors	Membership begins on 05/06/2022 AD			
Mr. Ibrahim Bin Mohamed Al-Suwailem	Chairman of the Audit Committee	✗	✓	✓	✓
Mr. Ahmed Bin Ibrahim AlMousa**	Member of the Board of Directors (and former member of the Audit Committee)	✗	✓	✓	✓
Mr. Anas Bin Ibrahim AlMousa**	Member of the Board of Directors and member of the Audit Committee	✗	✓	✓	✓
Mr. Abdullah Bin Hamad Al- Rabee**	Member of the Audit Committee	Membership begins on 05/06/2022 AD			
Mr. Mohamed Bin Mansour Abahussein	Chief Executive Officer (CEO)	✓	✓	✓	✓
Mr. Mohamed Saber Hammad	Chief Financial Officer (CFO)	✓	✓	✓	✓

\* Member of the session ended on 05/06/2022 AD.

\*\* Member of the session started on 05/06/2022 AD.

## Governance

Enma Alrawabi Company, after the approval of the competent authorities, called for the first Ordinary General Assembly (the first meeting) on 08/05/2022 AD, and based on the lack of a quorum, another call was issued to the shareholders to convene the (second meeting) scheduled to be held on 05/06/2022 AD, and the agenda of the former Board of Directors was extended until the election of the members of the company Board of Directors, who were elected on 05/06/2022 AD, and there are no business performed or contracts concluded as from 08/05/2022 AD until 05/06/2022 AD.

### Number of company requests for the register of shareholders, dates and reasons for those registers:

Number of company requests for the register of shareholders	Date of Register	Reason of the Request
First Request	18/01/2022 AD	First Extraordinary General Assembly (first and second meetings after an hour)
Second Request	16/02/2022 AD	Corporate Procedures
Third Request	21/02/2022 AD	First Extraordinary General Assembly (third meeting)
Fourth Request	08/05/2022 AD	First Ordinary General Assembly (first meeting)
Fifth Request	05/06/2022 AD	First Ordinary General Assembly (second meeting)
Sixth Request	25/09/2022 AD	Corporate Procedures
Seventh Request	31/12/2022 AD	Corporate Procedures

## Governance

### Disclosure:

#### What has been and what has not been applied of the provisions of the Corporate Governance Regulations:

The company applied the mandatory articles to the companies listed in the parallel market (Nomu) mentioned in the second article of the Corporate Governance Regulations. Moreover, the company instituted written policies approved by the Board of Directors, which included the commitment to the rules and practices of sound governance and included the company readiness for development and growth, and from the same, the company applied the guiding corporate governance regulations in terms of the companies listed in the parallel market (Nomu), except for the following guiding regulations:

Article/Clause No.	Provision of Article/Clause	Reasons for Non-application
<b>30</b> <b>Meetings of the Board of Directors</b>	Clause (B): The Board of Directors shall hold at least four meetings each year, with no less than one meeting every three months.	During the year (2022), the Board of Directors of the company held four meetings, and the company will include this clause in the company's Articles of Association after obtaining the approvals from the competent authorities.
<b>36</b> <b>Conditions of the Secretary</b>	The Board of Directors shall specify the conditions to be met in the Secretary of the Board of Directors, provided that they shall include any of the following: 1- To have a university degree in law, finance, accounting, management, or their equivalent, and to have a relevant practical experience of not less than three years. 2- He should have a relevant practical experience of not less than five years	The article is still indicative and it will be applied if it becomes mandatory.
<b>37</b> <b>Training</b>	The company shall pay sufficient attention to training and qualifying the members of the Board of Directors and the Executive Management, and setting the necessary programs for that, taking into account .....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
<b>39</b> <b>Evaluation</b>	The Board of Directors, based on the proposal of the Nominations Committee, shall set the necessary mechanisms for evaluating the performance of .....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
<b>51</b> <b>Formation of the Audit Committee</b>	Clause (B): There must be at least one independent member among the members of the Audit Committee.	The article is still indicative and it will be applied if it becomes mandatory.
<b>57</b> <b>Formation of the Remuneration Committee</b>	Clause (B): The General Assembly of the company, based on a proposal from the Board of Directors, issues the work regulations of the Remuneration Committee.....etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.



Article/Clause No.	Provision of Article/Clause	Reasons for Non-application
58 <b>Terms of reference of the Remuneration Committee</b>	The Remuneration Committee is responsible for the following: Preparing a clear policy for remunerations ....etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
59 <b>Remuneration Policy</b>	Without prejudice to the provisions of the Companies Act, the Capital Market Act and their executive regulations .....etc.).	Work is underway to establish a remuneration policy, and it will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
60 <b>Meetings of the Remuneration Committee</b>	The Remuneration Committee shall be held periodically, at least every year, and whenever the need arises ... etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
61 <b>Formation of the Nomination Committee</b>	Clause (B): The General Assembly of the company, based on a proposal from the Board of Directors, issues the work regulations of the Nomination Committee.....etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
62 <b>Terms of reference of the Nomination Committee</b>	The Nomination Committee is responsible for ....etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
63 <b>Nomination Procedures</b>	On the Nomination Committee shall, when nominating ....etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
64 <b>Meetings of the Nomination Committee</b>	The Nomination Committee shall be held periodically ... etc.).	The work regulations of the Remuneration and Nomination Committee have been approved and will be submitted to the General Assembly after obtaining the approvals from the competent authorities.
67 <b>Formation of the Risk Management Committee</b>	The Risk Management Committee shall be formed by a resolution from the Board of Directors of the company ....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
68 <b>Terms of reference of the Risk Management Committee</b>	The Risk Management Committee is responsible for the following: 1- Setting a strategy, policies .....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
69 <b>Meetings of the Risk Management Committee</b>	The Risk Management Committee shall be held periodically each ... etc.).	The article is still indicative and it will be applied if it becomes mandatory.
70 <b>Internal Control System</b>	The Board of Directors shall adopt an internal control system for the company.....etc.).	Whereas the Corporate Governance Regulations are indicative for the companies listed in the Parallel Market (Nomu), the company management is working to execute them after obtaining the approvals from the competent authorities.
71 <b>Establishing independent units or departments in the company</b>	The company shall establish, for the purpose of .....etc.).  The company may use ....etc.).	Whereas the Corporate Governance Regulations are indicative for the companies listed in the Parallel Market (Nomu), the company management is working to execute them after obtaining the approvals from the competent authorities.

Article/Clause No.	Provision of Article/Clause	Reasons for Non-application
72 Tasks of the internal audit unit or department	The internal audit unit or department is responsible for .....etc.).	Whereas the Corporate Governance Regulations are indicative for the companies listed in the Parallel Market (Nomu), the company management is working to execute them after obtaining the approvals from the competent authorities.
73 Formation of an internal audit unit or department	The internal audit unit or department is consisted of an internal auditor .....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
74 Internal Audit Plan	The internal audit unit or department shall be operated according to a comprehensive plan ....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
75 Internal Audit Report	The internal audit unit or department shall prepare a written report ...etc.).	The article is still indicative and it will be applied if it becomes mandatory.
80 Organizing the relationship with stakeholders	The Board of Directors shall establish clear policies and procedures ...etc.).	The article is still indicative and it will be applied if it becomes mandatory.
72 Tasks of the internal audit unit or department	The internal audit unit or department is responsible for .....etc.).	Whereas the Corporate Governance Regulations are indicative for the companies listed in the Parallel Market (Nomu), the company management is working to execute them after obtaining the approvals from the competent authorities.
73 Formation of an internal audit unit or department	The internal audit unit or department is consisted of an internal auditor .....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
74 Internal Audit Plan	The internal audit unit or department shall be operated according to a comprehensive plan ....etc.).	The article is still indicative and it will be applied if it becomes mandatory.
75 Internal Audit Report	The internal audit unit or department shall prepare a written report ...etc.).	The article is still indicative and it will be applied if it becomes mandatory.
80 Organizing the relationship with stakeholders	The Board of Directors shall establish clear policies and procedures ...etc.).	The article is still indicative and it will be applied if it becomes mandatory.
72 Tasks of the internal audit unit or department	The internal audit unit or department is responsible for .....etc.).	Whereas the Corporate Governance Regulations are indicative for the companies listed in the Parallel Market (Nomu), the company management is working to execute them after obtaining the approvals from the competent authorities.

## **Recommendations of the Review Committee:**

### **1- Recommendations of the Audit Committee that conflict with the resolutions of the Board of Directors:**

There are no recommendations that conflict with the resolutions of the Board of Directors, and there are no recommendations from the Audit Committee that the Board refused to consider regarding the appointment and dismissal of the company auditor, determining his fees, evaluating his performance, or appointing the internal auditor, the justifications for those recommendations, and the reasons for not considering them.

### **2- The Audit Committee's opinion regarding the adequacy of the internal and financial control systems:**

The Audit Committee, according to the scope of its work, and based on the information provided to it by the company management and the auditor, has concluded that the audits did not show any material weakness in the internal and financial control system, and that the Board of Directors' report and the financial statements were prepared according to the statutory requirements.

### **3- The committee recommended appointing an internal auditor for the company.**

## **Results of the annual review of the effectiveness of the company internal control procedures:**

The company operations and business were reviewed during the fiscal year ending on December 31, 2022 AD by the Audit Committee, for the purpose of verifying the effectiveness of the internal control system and procedures, reviewing and evaluating the financial and administrative policies and procedures and the procedures for preparing the financial reports and their conclusions and outputs.

## **According to the results achieved from the execution of the audit plan, the committee concluded the following:**

There are no material deficiencies in the internal control systems, and that these systems are effective in preventing and detecting errors, and there was no major hack of the internal control systems occurred during the year, noting that the necessary measures were taken to follow up on the observations included in the reports in order to verify that the necessary corrective measures were taken, and the company is making continuing effort on a regular basis to develop the systems and policies, in order to improve the company business, and develop administrative control methods to ensure the efficiency and effectiveness of control activities and company departments is in accordance with the directions of the Board of Directors, and under the supervision of the Audit Committee.



### General disclosures during 2022 AD:

Title	Date	Through Saudi Tadawul Website	Through the Official Website of the Company
Enma Alrawabi Company announces the death of the Chairman of the Board of Directors, Sheikh/ Ibrahim Bin Saad AlMousa "May Allah have mercy on him"	02/01/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the appointment of a Chairman and Deputy Chairman of the Board of Directors	06/01/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces that the Extraordinary General Assembly of the company (second meeting) will not be held	19/01/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company invites its shareholders to attend the first Extraordinary General Assembly meeting (third meeting) through modern technology means	27/01/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the opening of the nomination for the membership of the Board of Directors for the next session	03/02/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the results of the first Extraordinary General Assembly meeting (third meeting)	23/02/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Corrective announcement from Enma Alrawabi Company regarding the announcement of the results of the first Extraordinary General Assembly meeting (third meeting)	23/02/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the annual financial results ending on 31/12/2021 AD	17/03/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the distribution of cash profits to shareholders for the fiscal year ending on December 31, 2021	07/04/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company invites its shareholders to attend the first Ordinary General Assembly meeting (first meeting) through modern technology means	17/04/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces that the first Ordinary General Assembly of the company (first meeting) will not be held	09/05/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company invites its shareholders to attend the first Ordinary General Assembly meeting (second meeting) through modern technology means	12/05/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces an addendum announcement regarding the attachment of the documents about inviting its shareholders to attend the first Ordinary General Assembly meeting (second meeting)	15/05/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the death of the Chairman of the Board of Directors, Mr. Abdullah Bin Ibrahim Bin Saad AlMousa "May Allah have mercy on him"	05/06/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the results of the first Ordinary General Assembly meeting (second meeting)	06/06/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the appointment of the Chairman of the Board of Directors, Vice President and Managing Director, and the formation of the Nomination and Remuneration Committee	08/06/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces its interim financial results for the period ending on 30/06/2022 AD (six months)	06/09/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Correction announcement from Enma Alrawabi Company regarding the announcement of Enma Alrawabi Company of its interim financial results for the period ending on 30/06/2022 AD (six months)	06/09/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the signing of an engineering projects design contract with the Aknan Saudi Engineering Office	30/10/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>
Enma Alrawabi Company announces the resignation and appointment of the company Chief Executive Officer (CEO)	27/12/2022 AD	<a href="#">Click Here</a>	<a href="#">Click Here</a>

**Fines and Penalties:**

- 1- The company did not receive any financial violation from the Capital Market Authority or any other supervisory authority during the fiscal year 2022 AD.
- 2- There is no penalty, precautionary measure or precautionary restriction imposed on any of the members of the Board of Directors or on the company during the year 2022 AD from any judicial, supervisory or regulatory authority.

**Company Declarations:****The Board of Directors of Enma Alrawabi Company shall acknowledge the following:**

- 1- The account records have been properly and correctly prepared.
- 2- The company internal control system has been prepared depending on sound basis and executed effectively.
- 3- There is no significant doubt about the company ability to continue in performing its activities and business.
- 4- The company has not issued any debt bonds, nor has it authorized the issuance of such bonds.
- 5- There were no interruption in the exporter's business that may have or had a significant effect on the financial position during the last (12) months as from the date of this document.
- 6- With the exception of what was mentioned in the "Risks Related to Lawsuits" in the "Risks" section, the company is not subject to any lawsuits or legal procedures that may, individually or in their entirety, materially affect the company business or financial position.
- 7- The company has obtained all the basic and necessary licenses and approvals required to carry out its activities and business.
- 8- The members of the Board of Directors are not be subject to any lawsuits or legal procedures that may, individually or in their entirety, materially affect the company business or its financial position.
- 9- There is no power granted to a member of the Board of Directors or the Chief Executive Officer (CEO) that may grant them the right to vote on the remuneration granted to them.
- 10- No member of the Board of Directors of the company or any of the members of the Executive Management of the company or the secretary of the Board of Directors has been declared bankrupt and that they have not been subject to any bankruptcy procedures.
- 11- The company shall not be subject to any existing disputes or claims by the General Authority for Zakat and Income as of the date of this document.
- 12- The company shall be committed to all the provisions of the Companies Act up to the date of this document.
- 13- As of the date of this document, there is no mortgage on any of the company assets.
- 14- With the exception of what was mentioned in "Financing" in the "Risks" section, the company did not obtain any bank loans or facilities, and there are no debts owed by the company as of the date of this document.
- 15- That there are no works or contracts with a member of the Board of Directors, a member of the committees, senior executives, or anyone related to any of them as of the date of this document.

## **Conclusion:**

### **Ambitions and Aspirations:**

In conclusion, we can only extend our deep thanks to the members of the Board of Directors of Enma Alrawabi Company and all its employees, investors and partners for their tireless efforts and continuous support, and we look forward with them to go hand in hand towards another stage in the company success path, promising more major achievements, strong performance and sustainable growth.

