





Zamil Industrial Investment Co.
P.O. Box 14441 Dammam 31424
Kingdom of Saudi Arabia

zamilindustrial.com



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Board of Directors



Khalid A. Al Zamil

- **Chairman**
- Member, Nomination & Remuneration Committee



Abdallah Saleh Jum'ah

- **Vice-Chairman**
- Chairman, Nomination & Remuneration Committee



Ahmed Abdullah Al Zamil



Adib Abdullah Al Zamil

- A representative of Zamil Group Holding Company



Mohammed A. Al Ghaith

- A representative of the Public Pension Agency
- Member, Audit Committee



Mohammad S. Al Harbi

- Chairman, Audit Committee
- Member, Nomination & Remuneration Committee



Khalid M. Al Fuhaid

- Member, Audit Committee



Abdulla Mohammed Al Zamil

- **Chief Executive Officer**

Vision

To be a Winning Industrial Leader Creating Superior Values for Business and Community



Honesty and Integrity

We believe that goodwill and a good reputation are integral to our business. We uphold honesty, integrity, professionalism and a high level of business ethics. We are prudent and fair in dealings with our stakeholders.



Customers and Excellence

We are diligent in understanding and fulfilling our customers' needs. We strive to please our customers by ensuring excellence in quality and service. We listen to our customers and "go the extra mile" to satisfy them.



Innovation and Change

We are passionate about meaningful innovation. We are a learning organization. We learn from our experiences and global best practices, and we innovate to create leading local solutions leveraging world class knowledge. We embrace positive change arising from innovation and our aspirations to grow our business.

Mission

To Win Markets' and Stakeholders' Trust Through Industrial Competence and Mutual Prosperity



Leadership and Prudence

We cultivate talent and leadership to create sound business solutions, to best meet our customer needs, and to develop markets, people and shareholder value. We do so by optimizing the use of funds, resources, materials and technologies. We build prudence and cost-effectiveness into our leadership culture and pass on the benefits to our customers.



Community and Prosperity

We believe in mutual prosperity. We aspire to thrive in business while bringing progress and prosperity to our own people and the communities where we operate. Our culture, our ideas, our practices, our environmental concern and our teamwork inspire us to create superior values for people and communities around us.

Chairman's Message



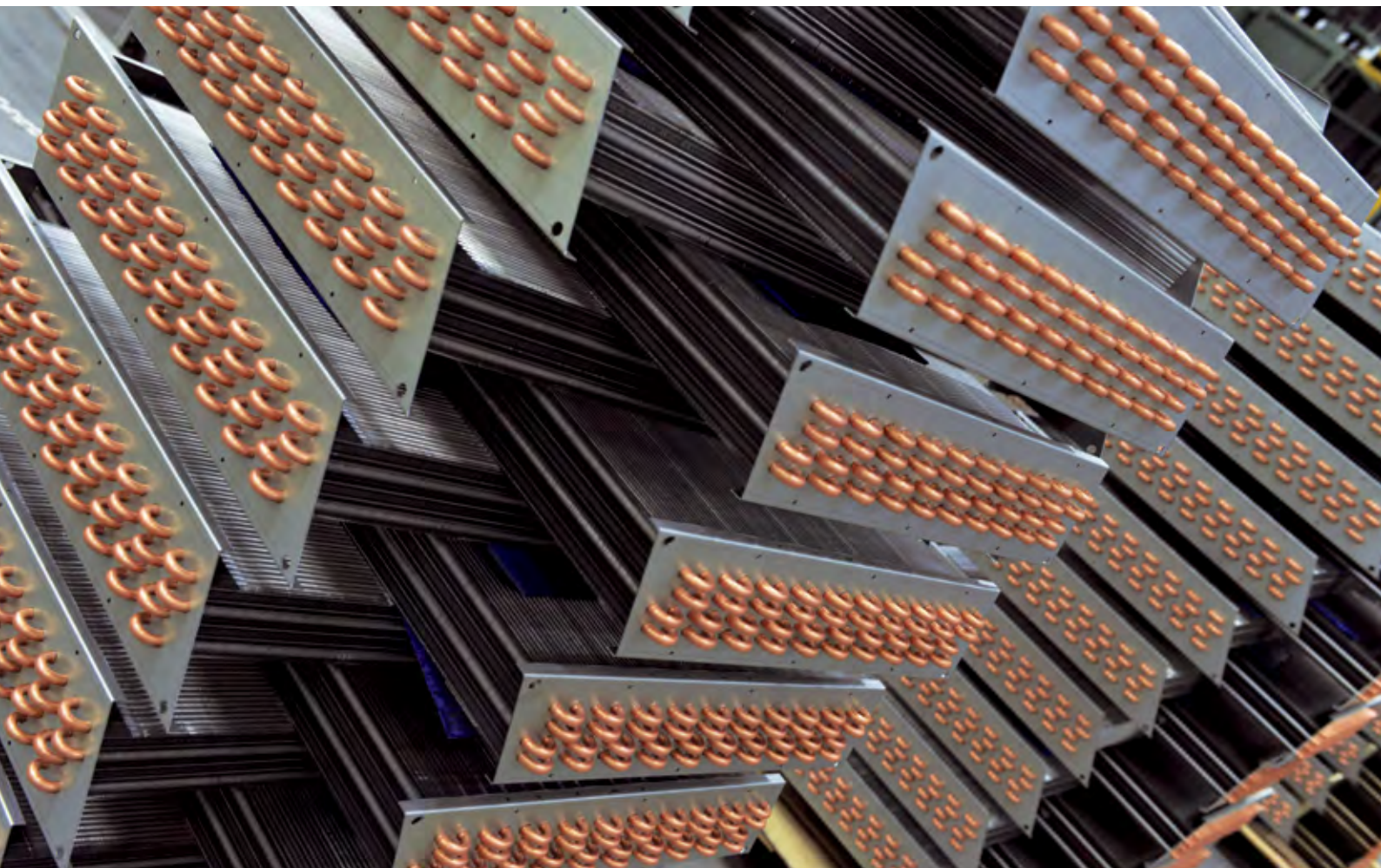
Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of Zamil Industrial Investment Company (Zamil Industrial) for the year 2021 on the company's overall performance and the results of its activities and investments both within and outside the Kingdom of Saudi Arabia.

Zamil Industrial recorded good revenues in the fiscal year ended 31 December 2021, despite the challenges facing the construction industry in particular and the domestic industrial sector in general, in addition to the economic situation and market conditions that we had to overcome. In 2021, Zamil Industrial saw a decrease in sales across all sectors, affecting the company's net profit.

The company maintained its cost-cutting and expense-control efforts, which resulted in improved operating margins in the Steel and Insulation sectors; a decrease of SAR 23.5 million in financial charges; and a decrease of SAR 36.8 million in losses from discontinued operations in the UAE's Steel sector and the Towers & Galvanizing Division in Saudi Arabia.

The coronavirus pandemic's consequences have had a substantial influence on many business sectors globally during the last two years, as markets have typically decreased, global growth has slowed, and debt levels have risen, affecting the majority of enterprises in the region. The implications have also impacted the construction sector, which is a critical component of socio-economic development, as well as a number of other sectors and industries. A significant pandemic consequence was the suspension of several construction sector activities in the Middle East as a result of social distancing practices that resulted in decreased production.





Chairman's Message (continued)

However, we now stand on solid ground that enables us to manage the crisis more effectively than ever, thanks to our cash position and the numerous measures we have implemented in recent years, such as reducing expenses to adapt to changing work environments, reducing costs and controlling expenses, enhancing activities and businesses that benefit from ongoing government projects, relying on operating expenses rather than capital expenditures, and capitalizing on all available opportunities.

The “Made in Saudi” program was launched this year. It is a Saudi Exports-led National Industrial Development and Logistics Program (NIDLP) initiative that aims to support local business growth by encouraging local consumers to buy more locally made products and assisting businesses in increasing their exports to priority markets. The Made in Saudi program, under one unified brand, will provide significant opportunities for companies to expand their reach and promote their products both domestically and globally. It also aims to increase private sector participation from 40% to 65%, as well as foreign direct investment in the domestic product, which will support Zamil Industrial sectors’ operations in the medium and long term.

In terms of our export markets, construction and infrastructure projects remain strong in general, particularly in Gulf Cooperation Council countries and other regions where we operate. However, the continuous decline in the value of the local currency in both Egypt and India, as well as the economic slowdown, new taxes imposed recently, and the effects of the coronavirus pandemic on global supply chains, are all having a negative impact on production costs.

Zamil Industrial, on the other hand, has continued to operate in those markets and has increased its exports to a number of other countries. Even as governments try to halt the economic slowdown with new financial measures and the prospect of new business opportunities, profit margins remain under severe pressure due to intense competition in all markets.

We will maintain our emphasis on operational and business excellence as the company's executive management and all of its employees work to achieve the company's strategic goals and the Kingdom's Vision 2030. The company's management systems, policies, and procedures are updated on a regular basis, and new and global digital transformation technologies are being implemented to gain more flexibility and competitiveness, as well as to improve efficiency across the company's sectors.





Corporate governance has been incorporated into our core values. Throughout 2021, Zamil Industrial's Board of Directors was eager to carry out its responsibilities and ensure that the company's operations followed best practices in corporate governance. We are committed to adhering to governance and transparency principles and to continuing to guide the company's Secretariat and Internal Audit Department, which work tirelessly to ensure that the best available practices and the highest governance standards are followed across all sectors and fields of our business. In this regard, we pay close attention to the Saudi Stock Exchange's (Tadawul) recommendations in the pursuit of a sound investment environment for shareholders.

The industrial sectors continue to be the locomotive of sustainable development that the Kingdom prioritizes, in line with Vision 2030, which aims to make the Kingdom the best destination for a decent living for citizens and residents alike, based on the elements of a vibrant society, a prosperous economy, and an ambitious nation. The Kingdom has emerged as a major global





economic powerhouse that cannot be ignored, as evidenced by the Kingdom's presidency of the G20 Summit in 2020, during which it achieved remarkable success in light of the coronavirus crisis that ravaged the global economy.

Furthermore, the Board of Directors has decided to pursue social accomplishments while prioritizing social responsibility. The company has undertaken a number of social initiatives to strengthen its role in the service of our community, and we expect to make further advances in social responsibility. Zamil Industrial has also implemented a series of preventive and precautionary measures, including the use of all modern technological tools, to ensure the health and safety of employees and workers in all sectors of the company, as they are an essential component in achieving business objectives and increasing productivity, and they are the company's true wealth.

Looking to the future, we are confident in our continued ability to achieve the desired growth, especially given

the Kingdom of Saudi Arabia's determination to continue supporting national economic development programs through the implementation of several economic reforms and the strengthening of the economic diversification strategy to meet various economic challenges. This will result in the creation of new opportunities for the company to achieve sustainable growth while also assisting its business in achieving returns and maximizing the value of shareholders' equity.

Finally, on behalf of the Board of Directors, I would like to express my heartfelt gratitude and appreciation to all Zamil Industrial employees for their dedicated work and contributions to the company's success, as well as to our customers for their faith in our abilities and products. My heartfelt gratitude and appreciation also go to our shareholders for their invaluable trust and unwavering belief in us, even during these challenging times. This trust inspires us to work tirelessly to achieve the company's objectives, aspirations, and strategies.

Khalid Abdullah Al Zamil
Chairman of the Board

Board of **Directors'** **Report** for 2021



Dear **Respected Zamil Industrial Shareholders,**

The Board of Directors of Zamil Industrial Investment Company (Zamil Industrial) is pleased to present shareholders with its annual report, including a review of Zamil Industrial's performance, activities and investments inside and outside the Kingdom of Saudi Arabia, and an overview of the company's overall status for the year 2021 by looking at its sectors: Steel, Air Conditioning, Insulation, and other industries.

Organization and Activities

Founded in 1998 and headquartered in Dammam, Saudi Arabia, Zamil Industrial Investment Company (Zamil Industrial) is a publicly listed company and a leading manufacturing and fabrication group that provides engineered products, systems and support services for the construction industry.

Today, we serve clients in more than 90 countries worldwide and operate businesses in four major industrial sectors – Steel, HVAC, Insulation Materials, and Concrete. We are majority shareholders in joint venture companies and own several subsidiaries. Our companies employ more than 9,000 people in 55 countries.

In keeping pace with the industrialization initiative of Saudi Arabia, Zamil Industrial has chosen to concentrate operations in the building, construction and industrial structures and equipment industries. All operations are ISO 9001 certified, and Zamil Industrial businesses are the regular recipients of prestigious industry rewards in recognition of attention to quality, customer service and leadership in the research and development of new technologies and industrial processes.

Manufacturing facilities operated by Zamil Industrial businesses are currently located in Saudi Arabia, the United Arab Emirates, Egypt, India, and Vietnam. Our companies manufacture and fabricate materials and provide innovative engineering systems, customized solutions and services to clients for use in construction and industrial operations.

Products and services include:

- Pre-engineered steel buildings and structural steel products
- Air conditioning systems, including maintenance, installation and operation services
- Process equipment
- Transmission and telecom towers, open-web joists and steel decks
- Precast concrete products
- Fiberglass and rock wool insulation
- Pre-insulated pipes
- Mineral, rock wool and sprayed polyurethane foam sandwich panels
- Building automation, security and protection systems
- Maintenance and inspection of industrial projects
- Turnkey project solutions



Dammam

1998
Dammam

9,000+
people

55
countries

At Zamil Industrial, we provide customers with total building solutions. Our strength and diversity have enabled us to build the capacity to operate as a single-source provider capable of meeting complete project needs, from engineering and materials to climate control.

The company also offers award-winning installation and erection services.

Zamil Industrial shares are available for trading for all Saudis, GCC nationals, and foreign investors (both resident and qualified). They are actively traded on the Saudi Stock Exchange (Tadawul) under the name “Zamil Industrial” (Saudi Stock Exchange: 2240, International Code: SA0007879410). More information can be found at www.saudiexchange.sa



STEEL



HVAC



INSULATION



CONCRETE



Steel

Sector

Zamil Industrial's Steel Sector is represented by **Zamil Steel Holding Company Ltd.** Founded in 1977, Zamil Steel is a global leader in the engineering and manufacturing of various quality steel products and the Middle East's premier supplier of pre-engineered steel buildings, structural steel products and process equipment, transmission and telecommunications towers, open web steel joists and roof and floor steel decks.





Zamil Steel engineers and produces fabricated steel of low-rise and high-rise steel buildings and structures for diverse industrial, commercial, agriculture, aviation, entertainment, and military applications and in support of infrastructure and development projects. Zamil Steel products are sold in more than 90 countries through an international network of dedicated sales and representative offices, certified builders, agents, and distributors.

Zamil Steel demonstrates its commitment to service at the local level by maintaining a network of nearly 55 area offices located in 34 countries, as well as a large number of certified builders, agents and distributors. These

facilities are fully staffed and equipped to provide quick, comprehensive responses to customer inquiries, as well as extensive after-sales service.

Zamil Steel's main factories are based in Dammam, Saudi Arabia. Additional facilities are located in Egypt, Vietnam, India, and the UAE. The company employs hundreds of engineers in its engineering departments in Saudi Arabia, Egypt, Vietnam, and India. Zamil Steel utilizes state-of-the-art engineering and manufacturing software and machinery in the design, estimating, shop detailing, and manufacturing of each of its products.

The company is also the largest supplier of sandwich panels in Saudi Arabia. It produces more than 1.5 million square meters of sprayed polyisocyanurate (PIR) foam and mineral wool sandwich panels annually, in compliance with international standards.

The company also offers engineering services and turnkey solutions for the supply and installation of roof coverings and wall cladding, including the secondary members and all related accessories for new buildings as well as retrofitted buildings.

Additionally, the company operates in the field of maintenance and plant turnaround, providing professional services and technical expertise through its highly skilled workforce and wide range of resources.

Moreover, Zamil Steel offers the engineering, procurement and construction services needed to complete new projects in different market sectors, for a variety of purposes. The company provides the design, fabrication and supply of steel buildings, as well as related civil and concrete works; the erection of steel buildings; and the installation of firefighting and fire alarm systems, architectural materials, mechanical systems, electrical systems and plumbing works through turnkey contracts using full-site management teams







HVAC

Sector

Zamil Industrial's HVAC Sector is represented by **Zamil Air Conditioners Holding Co. Ltd.**

Founded in 1974 as a pioneer in the Saudi Arabian air conditioning industry, the company has expanded over the past five decades to become a leading international manufacturer of air conditioning systems and is currently the number one producer of such systems in the Middle East. Zamil Air Conditioners designs, manufactures, tests, markets and services a comprehensive range of air conditioning products, from compact room air conditioners and mini splits to large-scale central air conditioners, chillers and air-handling units for highly specialized commercial and industrial applications.





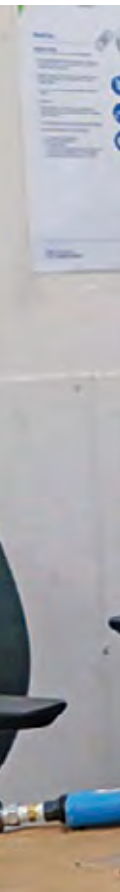
Currently ranked as the region's leading air conditioning equipment service and maintenance provider, the company employs more than 2,500 qualified technicians spread across 18 branches in Saudi Arabia and GCC countries. The company owns and maintains nearly 500 service vehicles, equipped with the necessary tools, equipment and emergency spare parts to repair and service any HVAC unit regardless of brand, capacity or make.

The company offers professional air conditioning services as well as complete preventive maintenance programs and other related HVAC services aimed at providing regular, scheduled checkups to keep air conditioning systems in optimum operating condition. It operates a Service & Parts department and offers annual service and maintenance contracts for banks, industrial establishments, oil and gas companies,

retail outlets and homes, in addition to handling regular customer service calls.

Zamil Air Conditioners has also developed a state-of-the-art Training Center, offering a complete range of training courses for the company's own technicians and engineers as well as for those employed by dealers and large corporate clients.

Moreover, Zamil Air Conditioners owns and operates Ikhtebare, the first independent laboratory created specifically for testing climate control solutions in the Middle East. Ikhtebare, which was constructed in 1984 by Intertek Testing Services and certified by Electrical Testing Laboratories (ETL), offers air conditioning manufacturers and importers a comprehensive range of performance tests for consumer and commercial air conditioners and chillers. The lab also plays a key role in



supporting research and development initiatives in the Heating, Ventilation and Air Conditioning (HVAC) industry in the Middle East, allowing Zamil Air Conditioners the distinction of being the only manufacturer in the region capable of guaranteeing compliance with local, regional and international specifications and standards of air conditioning products.

In 2010, Zamil Air Conditioners launched the first Saudi brand for anti-corrosion coating, ResisTec®, for high-quality anti-corrosion coating created specifically for HVAC products and components. The company developed ResisTec protective coating to help lower life-cycle costs, minimize HVAC depreciation and provide customers with the option to choose high-quality products and services that allow them to reduce costs and produce a healthier bottom line substantially. The innovative, environmentally friendly ResisTec technology protects





HVAC equipment from corrosion and deterioration with a negligible effect on the performance of the coated coils. Resistec was developed specifically to lengthen the product life cycle and minimize equipment failure, especially under harsh Middle Eastern climate conditions.

Furthermore, the company has been offering solar and green building solutions since 2012, as green building projects, particularly those using solar technology, are on the rise. Driven by a team of experienced industry professionals, the company is adept in engineering, procurement, construction and retrofit services. Connections with leading companies across the globe provide opportunities to manufacture and supply Solar Modules, Inverters, Batteries, LED lights and Thermal Heaters in accordance with international safety and quality certificates.



The company offers a complete solution for photovoltaic integration, including power conversion, electrical distribution, monitoring, supervision and technical support, with a complete solution from the solar panel's DC output to the grid connection with different types of systems.

Zamil Air Conditioners designs and manufactures high-quality duct systems and other HVAC industry-

related products, utilizing state-of-the-art automated duct lines, Plasma Cutting, CNC Turret punch press and other specific machinery through two duct factories located in Yanbu and Dammam, Saudi Arabia. The company also offers robotic duct cleaning solutions, using the latest European technologies to improve air quality and operational efficiency of air conditioning systems





Insulation

Sector

Zamil Industrial maintains a presence in the insulation sector through **Gulf Insulation Group (GIG)**, of which Zamil Industrial is managing partner and major shareholder, with 51% of the equity. GIG comprises three companies: **Arabian Fiberglass Insulation Co. Ltd. (AFICO)**, **Saudi Rock Wool Factory Company (SRWF)**, and **Saudi Pre-Insulated Pipes Industries (SPPI)**. These companies enjoy excellent reputations for the high quality of their environmentally efficient insulation products and solutions, all of which conform to the highest international standards.



GIG operates as a joint venture with Owens Corning, USA, the world leader in the technology of manufacturing fiberglass products. The Group manufactures premium quality glass wool insulation products for industrial and commercial applications. It is also the only manufacturer of fiberglass insulation products in Saudi Arabia. The Group's premium quality products and services are comparable to those of its counterparts in the United States and Europe.

Since 1992, the Group has been manufacturing rock wool products for construction and industrial customers, providing materials for the local and international markets ever since. The company focuses on rock wool, one of the most effective and widely used thermal, acoustical and fire insulation materials.

The Group's production capacity reaches 65,000 tons per annum. It currently owns about 80% of the rock wool production capacity in Saudi Arabia and 55% of the existing capacity in the GCC region, using the latest technology in this field. The Group employs qualified technical staff with vast experience in providing customers with the best products and services.

Additionally, the Group has been designing and manufacturing pre-insulated, prefabricated systems for aboveground, underground, cooling/heating and process piping since 1983. It produces high-quality pre-insulated pipes and HDPE products customized to meet the unique requirements of each individual customer as closely as possible. The Group also provides its customers with on-site technical assistance and installation supervision.

In addition, the Group maintains advanced in-house capabilities to perform computerized stress analysis using specialized software. This analysis





determines the stresses in the carrier steel pipe; detects any axial movement, which will provide data for the anchor design; and indicates whether the expansion joints are needed.

The Group's high-density polyethylene (HDPE) pipes can be utilized in various applications, including wastewater systems, irrigation systems, gas pipeline systems, lining and relining and potable water systems.



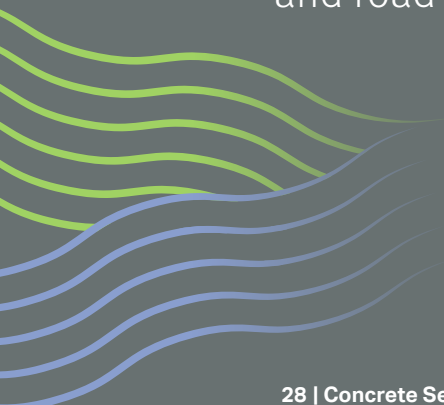


Concrete Sector

This sector is represented by **Rabiah & Nassar and Zamil Concrete Industries Co. Ltd. (Ranco Zamil)**, in which Zamil Industrial has a 50% equity interest.

The Rabiah and Nassar Precast Concrete Factory (RANCO Precast) designs, manufactures and erects precast concrete buildings used for various applications, including residential properties, schools, shopping malls and industrial plants.

The factory also produces wall panels and fabricates a variety of other concrete-based products used in the construction industry, including standard and non-standard columns, plinth foundations, pre-stressed beams, pre-stressed double TT-slabs and flat slabs, hollow core slabs, boundary walls and road construction supplies





The following table details the company's shares in its subsidiaries:

	Subsidiary	Capital	Ownership Percentage	Activity	Country of Operation	Country of Incorporation
1	Zamil Steel Holding Co. – and its subsidiaries:	SAR 250 million	100%	Holdings	KSA	KSA
	Zamil Steel Pre-Engineered Buildings Co. Ltd.	SAR 50 million	100%	Steel buildings	KSA	KSA
	Zamil Structural Steel Co. Ltd.	SAR 75 million	100%	Structural steel	KSA	KSA
	Zamil Towers and Galvanizing Co. Ltd.	SAR 70 million	100%	Transmission and telecommunications towers	KSA	KSA
	Zamil Process Equipment Co. Ltd.	SAR 55 million	100%	Process equipment	KSA	KSA
	Building Component Solutions Co. Ltd.	SAR 25 million	100%	Insulated sandwich panels	KSA	KSA
	Zamil Steel Construction Co. Ltd.	SAR 1 million	100%	Steel industry project management	KSA	KSA
	Zamil Inspection and Maintenance of Industrial Projects Co. Ltd.	SAR 2 million	100%	Inspection and maintenance	KSA	KSA
	Metallic Construction and Contracting Co. Ltd.	EGP 250,000	100%	Steel buildings	Egypt	Egypt
2	Zamil Air Conditioners Holding Co. – and its subsidiaries:	SAR 1 million	100%	Holdings	KSA	KSA
	Zamil Air Conditioners and Home Appliances Co. Ltd.	SAR 173 million	100%	Air conditioners	KSA	KSA
	Zamil Central Air Conditioners Co. Ltd.	SAR 101 million	100%	Air conditioners	KSA	KSA
	Zamil Air Conditioning and Refrigeration Services Co. Ltd.	SAR 35.7 million	100%	Maintenance and services	KSA	KSA
	Ikhtabar Co. Ltd.	SAR 500,000	100%	HVAC Testing	KSA	KSA
	Eastern District Cooling Co. Ltd.	SAR 1 million	100%	District cooling systems	KSA	KSA
	Zamil Energy Services Co. Ltd.	SAR 1 million	100%	Technical engineering services	KSA	KSA
	Zamil Air Conditioning and Refrigeration Services Co. W.L.L.	BHD 270,000	100%	Maintenance and services	Bahrain	Bahrain
3	Arabian Stonewool Insulation Co.	SAR 10 million	100%	Stonewool insulation	KSA	KSA
	Second Insulation Co. Ltd.	SAR 50,000	100%	Insulation materials marketing	KSA	KSA
	Saudi Preinsulated Pipes Industries.	SAR 7.2 million	51%	Pre-insulated pipes	KSA	KSA
4	Gulf Insulation Group (CJSC).	SAR 21.1 million	51%	Insulation materials	KSA	KSA
5	Zamil Steel Buildings Co.	EGP 100 million	100%	Steel buildings	Egypt	Egypt
6	Zamil Steel Buildings (Shanghai) Co. Ltd.	RMB 12,5 million	100%	Steel buildings	China	China
7	Zamil Steel Buildings India Pvt. Ltd.	INR 886.1 million	100%	Steel buildings	India	India
8	Zamil Steel Engineering India Pvt. Ltd.	INR 51.2 million	100%	Engineering office	India	India
9	Zamil Industrial Investment Co. (LLC)	AED 5 million	100%	Holdings	UAE	UAE
10	Zamil Steel Industries (LLC)	AED 20 million	100%	Steel buildings	UAE	UAE
11	Zamil Structural Steel Co. Ltd.	USD 10 million	100%	Structural steel	Egypt	Egypt
12	Zamil Construction India Pvt. Ltd.	INR 13.7 million	100%	Steel industry project management	India	India
13	Zamil Information Technology Global Pvt. Ltd.	INR 23.5 million	100%	Information technology	India	India
14	Zamil Higher Institute for Industrial Training	SAR 8.14 million	100%	Industrial training	KSA	KSA
15	Zamil Air Conditioners India Pvt. Ltd	INR 1,372.7 million	100%	Air conditioners	India	India
16	Saudi Central Energy Co. Ltd.	SAR 1 million	100%	District cooling project management	KSA	KSA
17	Zamil Industrial Investment Co. Asia Pvt. Ltd.	SGD 1	100%	Holdings	Singapore	Singapore
18	Zamil Steel Buildings Vietnam Co. Ltd.	SAR 13.2 million	92.27%	Steel buildings	Vietnam	Vietnam

A portion of the parent company's shares in the subsidiaries outside Saudi Arabia listed above is in the names of members of the Board of Directors or senior executives in their capacities as shareholders nominated to act on behalf of the parent company in accordance with legal requirements in the countries where such subsidiaries operate.

2 The Company's Investments

Investments in associates are as follows:

1. A 50% share in Rabiah & Nassar and Zamil Concrete Industries Co. Ltd., whose main headquarters is located in Riyadh and is engaged in the production of precast concrete products.
2. A 20.83% share in IIB Paper Company Limited, which is registered in the Cayman Islands. Its principal activity is the production of tissue paper.

Investments in joint ventures are as follows:

1. A 51% share in Middle East Air Conditioners Company Limited, whose main headquarters is located in Dammam. It engages in the sale and promotion of air conditioners.

Available for sale investments are as follows:

1. A 2.11% share in Kinan International for Real Estate Development Company (Closed Joint Stock Company). Its principal activity is investment in real estate.

3 Future Plans and Important Decisions

The company's principal future plans and important decisions include:

- | | |
|---|--|
| <p>A) Continued efforts to expand and increase the yields of adjacencies of the company's sectors in its operating geographic regions to enhance the company's ability to control the value chain, thus maximizing the company's chances of earning higher returns for owners.</p> <p>B) Continue to rationalize expenditures and increase production efficiency and cash management, which</p> | <p>will enable the company to improve its financial position and earn higher returns for owners.</p> <p>C) Right-size a selection of activities in an effort to maximize yields and mitigate costs.</p> |
|---|--|

Performance Highlights

Revenues amounted to SAR 3,524 million as of 31 December 2021, an increase of SAR 140.8 million (4.2%) from SAR 3,383 million in 2020. Net loss for the year, after deducting Zakat and tax, was SAR (159.4) million, compared with a net loss of SAR (159.9) million in 2020, a decrease

of 0.3%. Loss per share, after deducting Zakat and tax, was SAR (2.66), compared with SAR (2.66) during the same period in 2020. Comparative figures have been reclassified to conform with the presentation in the current period.

The following table details the contribution of each principal activity to the total annual revenues:

Item	2021	2020	Change
Air Conditioning Industry	38.1%	45.9%	-13.4%
Steel Industry	56.7%	48.6%	21.5%
Insulation Industry	5.9%	6.2%	-2.0%
Head Office and Others	-0.7	-0.7%	-1.6%
	100%	100%	

A) Statement of Income:

Item (SAR '000)	2021	2020	2019	2018	2017
Sales	3,523,817	3,382,962	4,038,583	4,313,649	4,403,850
Cost of sales	3,048,073	2,936,601	3,451,737	3,598,279	3,495,651
Gross profit	475,744	446,361	586,846	715,370	908,199
Total expenses	647,948	654,470	738,568	843,864	785,070
Other income, net	28,674	63,256	30,735	2,292	(2,298)
Zakat	15,887	15,020	17,822	13,631	15,813
Net income	(159,417)	(159,873)	(138,809)	(139,833)	105,018

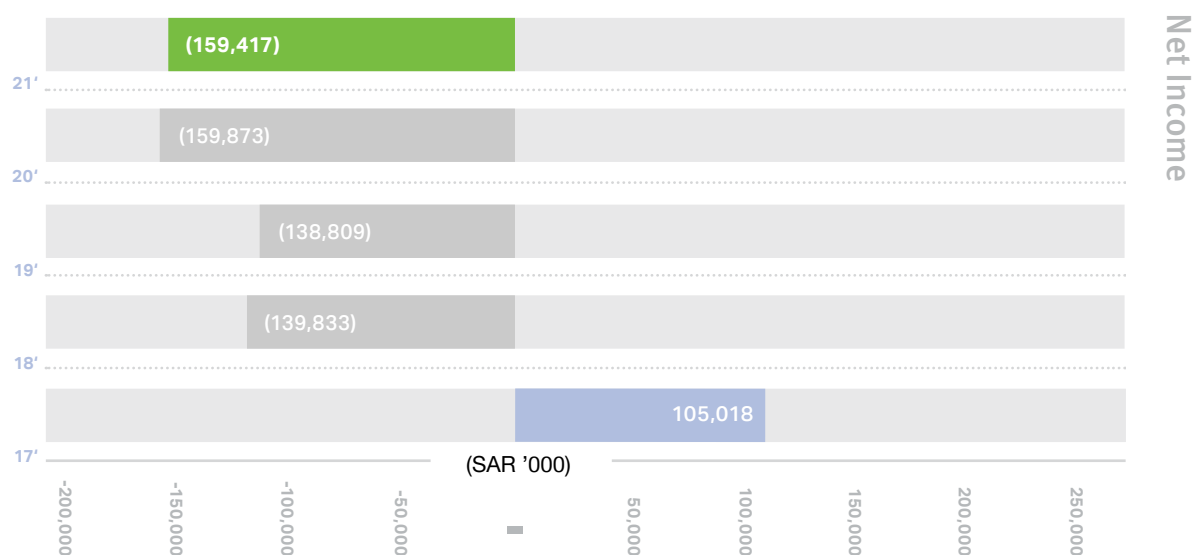
B) Balance Sheet:

Item (SAR '000)	2021	2020	2019	2018	2017
Current assets	4,432,260	3,867,073	4,100,238	4,241,708	4,036,713
Current liabilities	4,276,517	3,647,001	3,696,223	3,848,401	3,434,758
Working capital	155,743	220,072	404,015	393,307	601,955
Other long-term assets	486,966	539,794	582,452	502,992	555,122
Fixed assets	804,853	868,553	960,708	1,018,511	1,089,888
Total assets	5,724,079	5,275,420	5,643,398	5,763,211	5,681,723
Current liabilities	4,276,517	3,647,001	3,696,223	3,848,401	3,434,758
Long-term loans	7,040	14,510	144,986	38,734	67,255
Other long-term liabilities	290,898	279,001	322,354	251,961	303,330
Total liabilities	4,574,455	3,940,512	4,163,563	4,139,096	3,805,343
Paid capital	600,000	600,000	600,000	600,000	600,000
Reserves and retained earnings	366,724	533,469	678,767	815,946	1,064,703
Minority interest	182,900	201,439	201,068	208,169	211,677
Shareholders' equity	1,149,624	1,334,908	1,479,835	1,624,115	1,876,380
Total liabilities and shareholders' equity	5,724,079	5,275,420	5,643,398	5,763,211	5,681,723

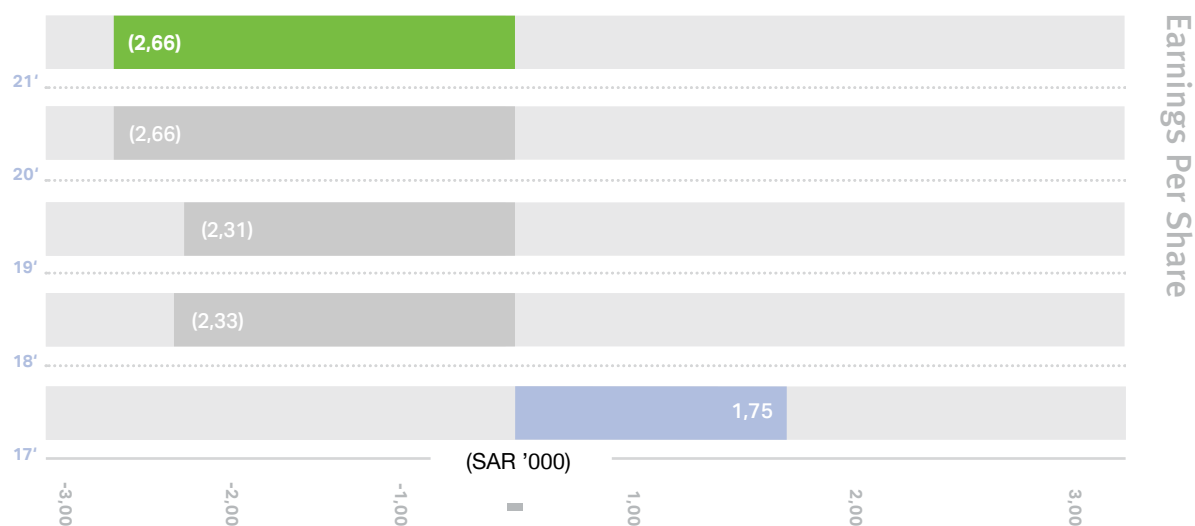
C) Outcome of Operation Activities:

Item (SAR '000)	2021	2020	Change	%
Sales	3,523,817	3,382,962	140,855	4.2%
Cost of sales	3,048,073	2,919,850	111,472	3.8%
Total operating profits	(110,419)	(60,754)	(49,041)	79.9%
Expenses of main operations	583,163	523,866	78,424	15.4%
Losses of main operations	-	-	-	-60.3%
Other revenue/expenses	33,111	85,666	(50,364)	5.8%
Deductions: Zakat or tax	15,887	13,453	867	-0.3%
Net profits (loss)	(159,417)	(159,873)	456	-0.3%

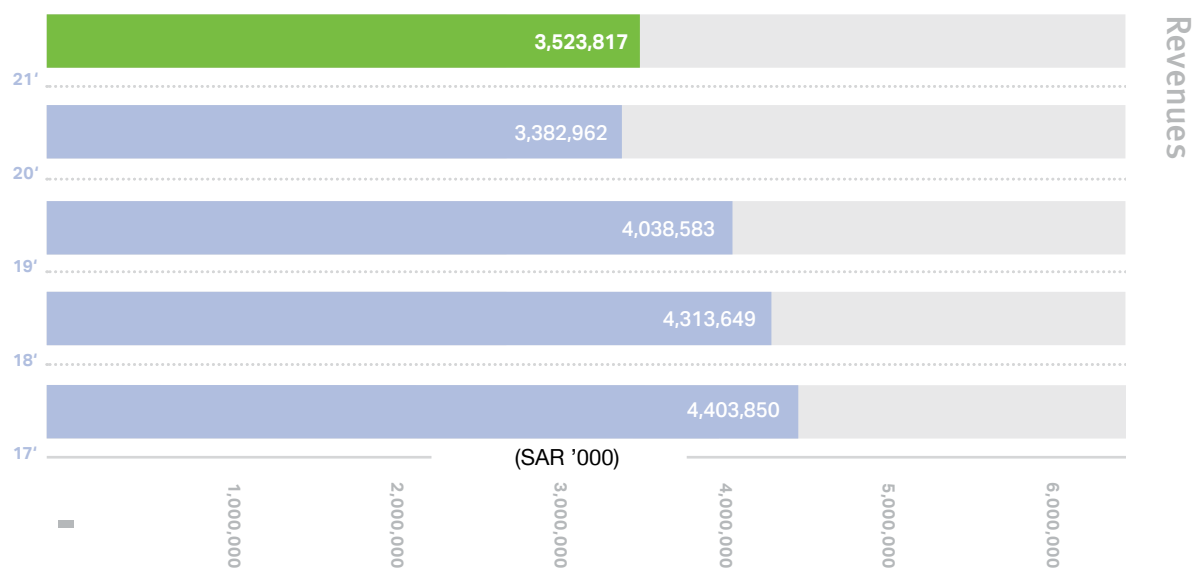
The following chart shows net incomes between 2017 and 2021:



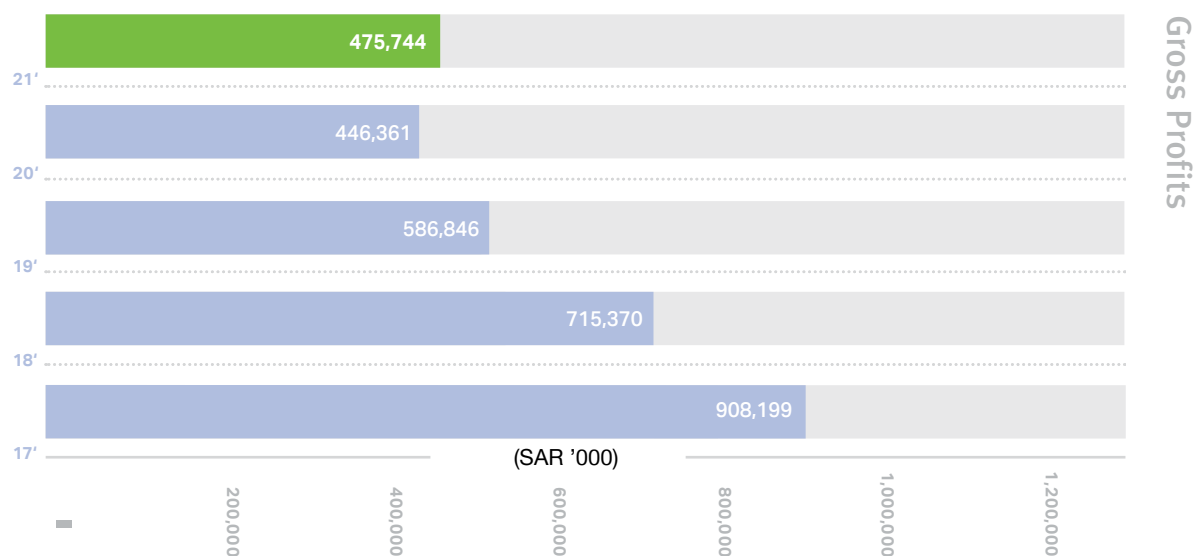
The following chart shows earnings per share between 2017 and 2021:



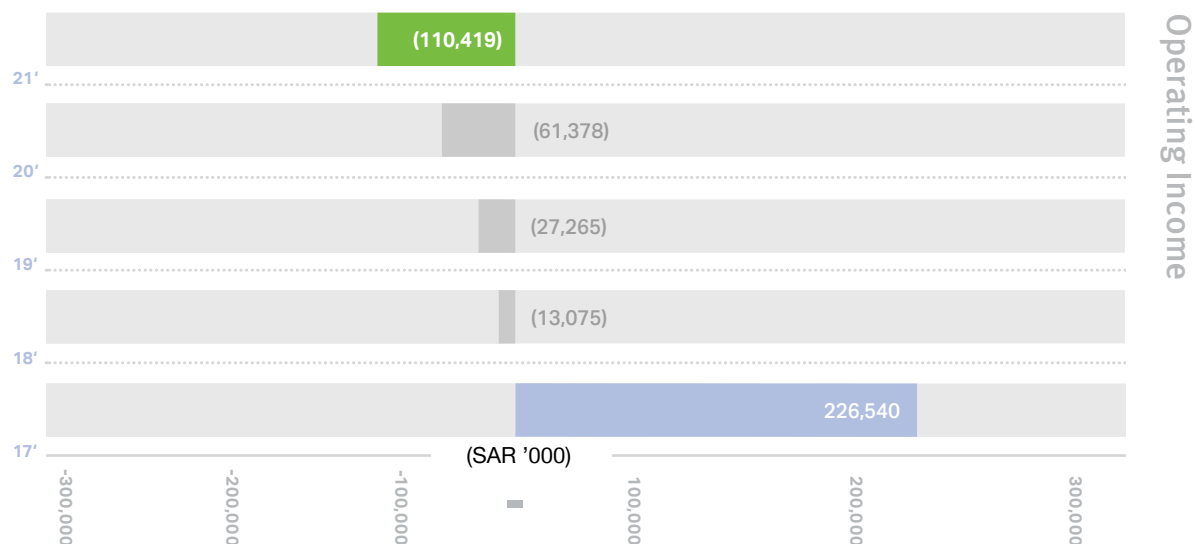
The following chart shows consolidated revenues over the past five years:



The following chart shows gross profits over the past five years:

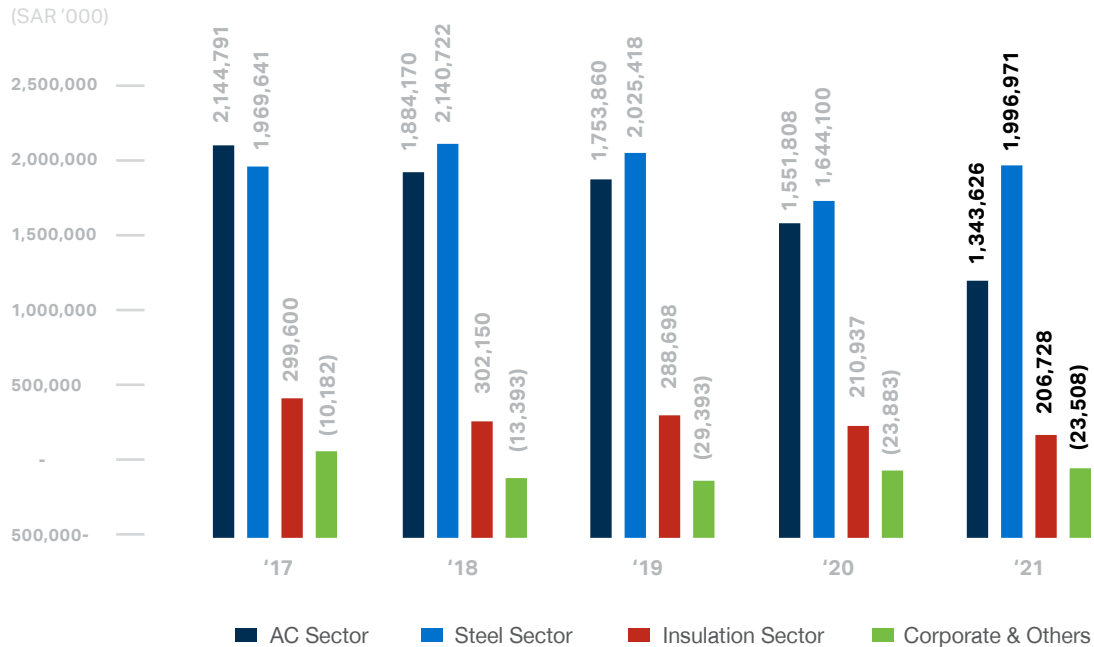


The following chart shows operating incomes over the past five years:



Sales by
Business Segments

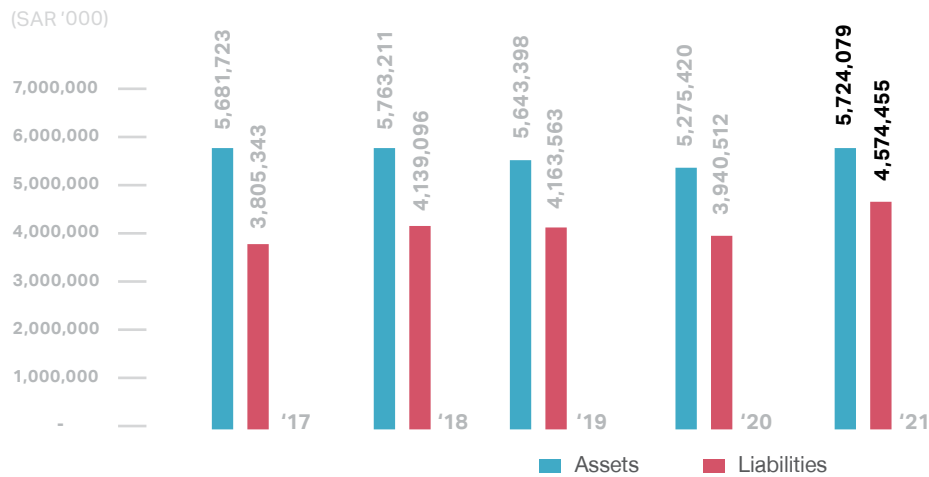
The Steel sector's revenue in 2021 was SAR 1,996.9 million, an increase of 21.5%. The AC sector's revenue decreased 13.4% to SAR 1,343.6 million. The Insulation sector's revenue also saw a 2.0% decrease to SAR 206.7 million.



Geographically, the company's revenues based on operations in the Kingdom of Saudi Arabia totaled SAR 2,541.6 million. Revenues of the company's subsidiary factories outside the Kingdom of Saudi Arabia totaled SAR 982.2 million. This analysis, however, does not include exports, which are detailed in the exports section of the report.

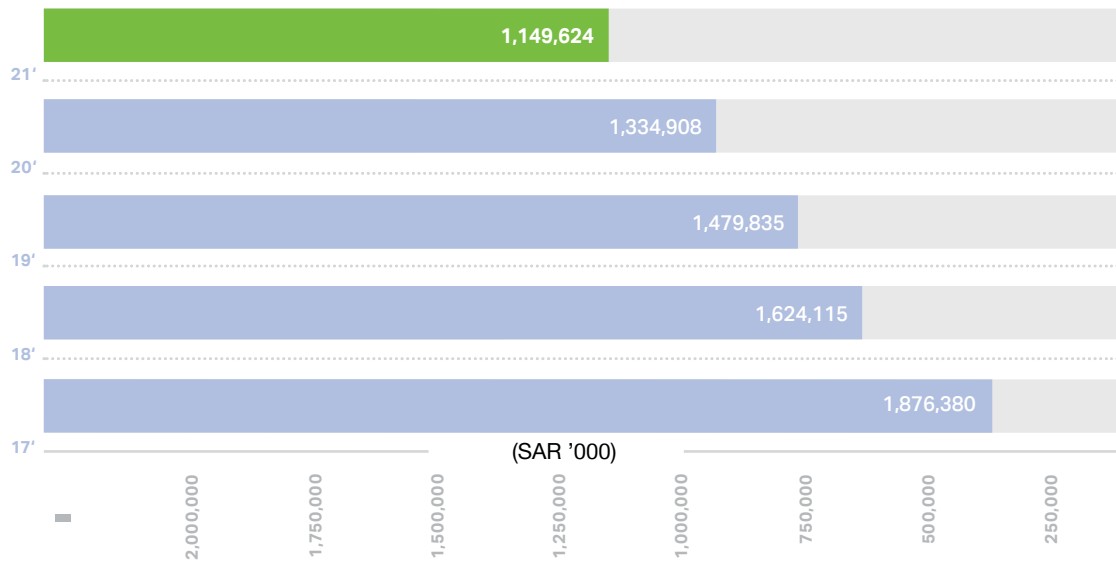
Sales by
Geographic Area

The following chart shows the company's assets and liabilities over the past five years.



Assets & Liabilities

Shareholders' equity saw a drop of 13.9% to SAR 1,149.6 million, compared with SAR 1,334.9 million in 2020, as shown in the following chart:



Shareholders' Equity

The company's exports amounted to about SAR 435.9 million in 2021, compared with SAR 492 million in 2020. Exports constituted about 12.4% of total sales in 2021. The company's products are exported to more than 90 countries by means of a network of sales and representative offices in more than 55 countries around the world.



Exports

5 On inconsistencies with the Saudi Organization for Certified Public Accountants' Accounting Standards

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia, as well as other standards and versions endorsed by the Saudi Organization

for Certified Public Accountants. The Board of Directors declares that no inconsistencies exist with the approved accounting standards. All comparative figures have been reclassified in accordance with the new International Financial Reporting Standards.

6 Loans

This comparison table details loans contracted by the company's management:

Item	2020	2021	Date Obtained	Due Date	Base Loan Amount	
	(SAR '000)	(SAR '000)			(SAR '000)	Lender
Loan No. 1	49,642	8,600	29/08/2012	24/04/2024	128,037	Saudi Industrial Development Fund
Loan No. 2	11,600	6,800	10/10/2019	11/10/2022	11,600	Saudi Industrial Development Fund
Loan No. 3	120,000	0	30/09/2019	30/09/2021	120,000	Saudi Industrial Development Fund
Loan No. 4		30,000	30/11/2021	01/12/2024	30,000	SABB - Saudi British Bank
Loan No. 5		2,265	31/03/2021	07/04/2025	2,265	HDFC Bank India
	181,242	47,665				
Less: Current installment	-165,803	-40,208				
Less SIDF Front-End Fees	-929	-417				
	14,510	7,040				

7 Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise loans and borrowings and accounts payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include accounts receivables, net investment in finance lease, short-term deposits, cash and bank balances that derive directly from its operations. The Group also holds investment in unquoted shares that is classified as equity investment at fair value through other comprehensive income.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management regularly review the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group does not engage into any hedging activities. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

- A) Market risk:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, short-term deposits and equity instruments at fair value through other comprehensive income. The sensitivity analyses in the following sections relate to the position as at 31 December 2021 and 2020.

Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. The Group's exposure to the risk of changes in market commission rates relates primarily to the Group's long-term and short-term loans and its short-term deposits. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates. At 31 December 2021 and 2020, the Group's exposure to commission rate risk was not significant as its major long-term and short-term loans were subject to fixed commission rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries and associates. The Group did not undertake significant transactions in currencies other than Saudi Riyals, US Dollars,

Japanese Yen, Egyptian Pound, Indian Rupees, Bahraini Dinar, and Euros during the year. As Saudi Riyals are pegged to US Dollars, balances in US Dollars are not considered to represent significant currency risk. The Group is exposed to currency risk on transactions and balances in Euros, Japanese Yen, Indian Rupees, Bahraini Dinar and Egyptian Pound. The Group manages currency risk exposure to Euros, Japanese Yen, Indian Rupees, Bahraini Dinar and Egyptian Pound by continuously monitoring the currency fluctuations. At 31 December 2021 and 2020, the Group's exposure to foreign currency changes for its accounts receivable and accounts payable was not material.

The Group is exposed to significant foreign currency changes on its net investment in foreign operations in Egyptian Pounds and India Rupees. The following tables demonstrate the sensitivity to a reasonably possible change in Egyptian Pound and Indian Rupee exchange rates, with all other variables held constant. The impact on the Group's pre-tax equity is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in Egyptian Pound rate	Effect on other components in equity (SAR '000)
31 December 2021	+3%	1,574
	-3%	(1,574)
31 December 2020	+ 3%	1,133
	- 3%	(1,133)

	Change in Indian Rupee rate	Effect on other components in equity (SAR '000)
31 December 2021	+2%	955
	-2%	(955)
31 December 2020	+2%	1,768
	-2%	(1,768)

Commodity risk

The Group is exposed to the impact of market fluctuations of the price of various inputs to production including steel, electric parts, glass materials and electricity. The Group prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of such materials to manage the risk.

Equity price risk

The Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior

management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was SR 52,359 thousands (2020: SR 53,650 thousands).

- B) Credit risk:** Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk on its bank balances, short-term deposits, accounts receivables, contract assets, net investment in finance lease and some other receivables as follows:

	31/12/2021	31/12/2020
	(SAR '000)	
Bank balances	226,728	128,194
Short-term deposits	51,049	24,921
Accounts receivable	1,775,474	1,718,629
Contract assets	659,141	616,215
Net investments in finance lease	292,506	317,105
Other receivables	90,519	80,997
	3,095,417	2,886,061

Accounts receivable and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow ups.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses for each business unit of the Group. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. geographical region, product type, customer type and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed loss rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in a particular sector, the historical loss rates are adjusted. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual loss in the future.

Generally, accounts receivables are written-off if past due for more than three years and are not subject to enforcement activity. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured. At 31 December 2021, the Group has obtained letter of credits as collateral over its receivables amounting to SR 50.4 million (2020: 109.2 million) from its certain customers. The Group determined that such receivable are not exposed to significant credit risk and therefore have not been considered in ECL assessment. The Group evaluates the concentration of risk with respect to trade accounts receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure at 31 December 2021 on the Group's accounts receivable and contract assets:

Accounts receivable	Gross carrying amount (SAR '000)	Loss Rate %	Expected credit losses (SAR '000)
Current	562,870	1%	5,050
Less than 30 days	147,522	5%	6,913
31 - 60 days	88,711	3%	2,281
61 - 90 days	62,050	3%	1,776
91 - 180 days	142,746	6%	8,182
181-360 days	210,349	13%	28,285
More than 360 days	626,049	56%	348,298
Retentions receivable	238,230	1%	1,687
	2,078,527		402,472
Contract assets	674,329	2%	15,861
	2,752,856		418,333

Set out below is the information about the credit risk exposure at 31 December 2020 on the Group's accounts receivable and contract assets:

Accounts receivable	Gross carrying amount (SAR '000)	Loss Rate %	Expected credit losses (SAR '000)
Current	500,064	1%	4,497
Less than 30 days	153,913	2%	3,044
31 - 60 days	64,831	3%	1,741
61 - 90 days	55,477	4%	2,219
91 - 180 days	88,396	5%	4,611
181-360 days	193,219	13%	25,563
More than 360 days	611,984	44%	270,762
Retentions receivable	187,631	1%	1,231
	1,855,515		313,668
Contract assets	625,854	2%	9,745
	2,481,369		323,413

Based on a provision matrix, the Group's expected credit losses at 31 December 2021 against its accounts receivable and contract assets exposed to credit risk amounted to SR 402.5 million and SR 16 million (2020: R 313.7 million and SR 9.7 million) respectively. Accordingly, the Group recognised an amount of SR 99.2 million (2020: SR 46.5 million) as provision for expected credit losses in its consolidated statement of income for its continuing operations. Related parties receivable include an amount of SR nil (2020: SR 11.1 million) attributable to discontinued operations. The Group recognised an amount of SR nil (2020: 857 thousands) as provision for expected credit losses as part of its net loss on discontinued operations in the consolidated statement of profit or loss.

Bank balances and short-term deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group seeks to manage its credit risk with respect to banks by only dealing with reputable banks. At the reporting date, no significant concentration of credit risk were identified by the management.

- C) Liquidity risk:** Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realize financial assets quickly at an amount close to its fair value. The Group manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis. The Group manages its liquidity risk by ensuring that bank facilities are available. The Group's terms of sales require amounts to be paid within 30 to 180 days of the date of submitting the invoice. Trade payables are normally settled within 30 to 120 days of the date of purchase.

Excessive concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Item	on demand	< 6 months	6 - 12 months	1 - 5 years	> 5 years	Total
As at 31 December 2021						
(SAR '000)						
Accounts payable	19,655	604,886	-	-	-	624,541
Lease liabilities	-	8,818	7,945	39,674	38,078	94,515
Other financial liabilities	-	464,763	-	-	-	464,763
Short term loans	-	2,422,243	13,126	-	-	2,435,369
Term loans	30,000	3,900	6,456	7,308	-	47,664
	49,655	3,504,610	27,527	46,982	38,078	3,666,852

Item	on demand	< 6 months	6 - 12 months	1 - 5 years	> 5 years	Total
As at 31 December 2020						
(SAR '000)						
Accounts payable	16,178	440,413	-	-	-	456,591
Lease liabilities	-	20,685	10,865	39,656	48,330	119,536
Other financial liabilities	-	374,149	-	-	-	374,149
Short term loans	-	2,161,550	-	-	-	2,161,550
Term loans	8,000	21,000	137,042	15,200	-	181,242
	24,178	3,017,797	147,907	54,856	48,330	3,293,068

Changes in liabilities arising from financing activities:

As at 31 December 2021

	January 1 2021	Cash inflow/ others	(Cash outflow)	December 31 2021
	(SAR '000)	(SAR '000)	(SAR '000)	(SAR '000)
Short term loans	2,161,550	20,591,098	(20,317,279)	2,435,369
Term loans	180,313	32,777	(165,842)	47,248
Lease liabilities	91,238	(7,540)	(12,323)	71,375
Total liabilities from financing activities	2,433,101	20,616,335	(20,495,444)	2,553,992

As at 31 December 2020

	January 1 2020	Cash inflow/ others	(Cash outflow)	December 31 2020
	(SAR '000)	(SAR '000)	(SAR '000)	(SAR '000)
Short term loans	2,481,828	12,050,139	(12,370,417)	2,161,550
Term loans	192,386	4,520	(16,593)	180,313
Lease liabilities	103,520	4,159	(16,441)	91,238
Total liabilities from financing activities	2,777,734	12,058,818	(12,403,451)	2,433,101

Due Statutory Payments

The following table shows paid and due statutory payments for 2021:

Item	2021	2020
	(SAR '000)	
Custom charges	34,151	34,052
Visas and passports	22,204	33,171
Zakat and tax	214,707	133,452
General Organization for Social Insurance	38,318	30,178
Other	-	-
Total government charges:	309,380	230,854

Awards, Certifications and Quality

All Zamil Industrial subsidiaries are ISO 9000 certified by recognized competent organizations. Additionally, most subsidiaries have obtained OHSAS 18001 Occupational Health and Safety Management Systems and ISO 14001 Environmental Management System (EMS) certification. The Information Technology Department (IT) at Zamil Industrial has also obtained ISO/IEC 20000 certification for providing IT management services.

In April, Zamil Steel Buildings Vietnam marked a great year of achievement and was awarded the prestigious Golden Dragon Award 2020–2021 for the 17th consecutive year, marking 24 years of excellence in Vietnam and Southeast Asia. The Golden Dragon Award is an annual event established in 2001 to recognize excellence in manufacturing, business and foreign-invested enterprises that make significant contributions to the Vietnamese economy.

In 2021, the Maintenance, Repair, and Overhaul (MRO) division of Zamil Air Conditioning & Refrigeration Services Co. Ltd. (Zamil CoolCare) was recertified by the National Environmental Balancing Bureau (NEBB) for another two years for testing, adjusting and balancing (TAB) environmental systems and whole building technical commissioning for new construction.

NEBB certification is tangible proof that a professional is qualified to perform work in accordance with NEBB procedural standards. This is further proof that Zamil CoolCare

maintains high standards and delivers on its promise to be an exceptional service company.

In addition, Zamil Steel Construction Co. Ltd. was audited and certified by RICi Company Ltd. for meeting the requirements of ISO (International Organization for Standardization) 9001:2015 Quality Management System Certification. RICi is a CQI and IRCA (International Register of Certificated Auditors, UK) approved training organization and an IAS (International Accreditation Service, USA) accredited certification and inspection body. ISO 9001:2015 is an international standard that defines the basic elements of a quality system that organizations use to ensure that their services meet and exceed the expectations of customers and other stakeholders.

In 2021, Zamil Construction India Pvt. Ltd., a subsidiary of Zamil Industrial, received Certificates of Recognition in recognition of its outstanding safety practices and for completing client projects throughout India. The company completed all construction work without a single workplace accident resulting in a fatality. These achievements are an important milestone for Zamil Construction India in maintaining workplace safety.

Finally, Zamil Steel Buildings India Pvt. Ltd. and Zamil Construction India Pvt. Ltd. were recertified for their Integrated Management System (IMS) for their facilities in Pune, Maharashtra, India. This certification combines the three main standards—ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System—into one coherent system.



10 Human Resources and Workforce Localization

Zamil Industrial attaches great importance to its human resources as they are the most important element in the management and operation of the company and are the basis for excellent business performance. Since its inception, the company has focused on attracting candidates with top-notch credentials and practical qualifications for key positions. In addition, the company has focused on developing human competencies by providing excellent growth and learning opportunities for its employees in all areas and sectors of the company.

At the end of 2021, Zamil Industrial employed a total of nearly 7,000 people in Saudi Arabia, a 2% decrease from the previous year. This is due to the impact of the coronavirus pandemic on various business units as well as the restructuring of some of the company's business units. The total number of Saudi

nationals increased by 4%, while the total number of expatriate employees decreased by a similar percentage.

The percentage of localization of jobs reached about 29.5% of the company's total workforce in 2021, up 2% from 2020. In particular, the Steel and AC sectors recorded an increase in the localization rate of 1% and 2.5%, respectively, compared to the previous year. The localization rate in the insulation sector increased from 22.1% to 25% in 2021, thanks to the Talent Acquisition Program, which continues to focus on attracting and hiring new Saudi employees.

The number of Saudi women working in the various sections and departments reached 72, a slight increase from 2020. When recruiting new employees, attention was paid to fully comply with the Nitaqat nationalization program, which ensures a growing number of Saudi employees in the companies.

Later in the year, Zamil Air Conditioning and Refrigeration Services Company organized a recruitment campaign in cooperation with the National Labor Gateway (Taqat) in Jeddah to fill 75 vacancies in the company's technical and engineering departments. The campaign is part

of the company's goal to increase the number of Saudi nationals in its workforce, thereby promoting the employment of nationals in the Saudi industrial sector. One of the primary objectives of Saudi Vision 2030 is to increase the employment of nationals in all sectors and regions.

According to the Ministry of Industry and Mineral Resources, the industrial sector created 55,000 jobs in 2021, with a localization rate of more than 38%.

During the year, Zamil Industrial instituted across-the-board salary adjustments for its employees. Further development efforts to update job classification and salary scales began in 2021 and will continue in 2022.

Corporate Human Resources played an integral role in the implementation of "Oracle Fusion" in 2021. Following the implementation, the HR team worked closely with the Information Technology Department to further develop the system and improve it through usability and data security enhancements. Corporate Human Resources has also worked with the HR departments of Zamil Industrial companies in Egypt and India on the Oracle Fusion rollout. We expect to continue this collaboration as we roll out all the other modules that are still under development, such as Performance Management.

Corporate Human Resources also participated in an audit of its internal processes to revitalize functions and learn from best practices in the field. These efforts will continue through 2022.

As an integral part of Zamil Industrial's commitment to diversity in the workplace, the company has created a sustainable program to employ people with disabilities. The company now employs more than 60 people with disabilities in various business units and functional areas, either on-site or remotely, with related awareness sessions conducted internally. The company also regularly organizes seminars for officials and managers in Zamil Industrial's main sectors and departments, informing them of best practices in dealing with people with disabilities in the workplace.

The Human Resources Department again organized a series of social events for Zamil Industrial employees during the past year. These events included entertainment and educational programs, health and wellness campaigns, and blood donation drives, among others

11

Training and Development

Zamil Industrial is committed to providing training programs with outstanding content and value to ensure the success and continued development of employees and all business units in the company.

Over the past two years, the company has been committed to taking the highest preventive safety measures to prevent the spread of the emerging coronavirus, preserve the human element, and follow all occupational health and safety policies and instructions to ensure a safe and risk-free work environment. The company also used digital learning resources and available modern training and education technologies.

In this regard, Zamil Industrial's Human Resources Department conducted a series of virtual workshops during the year. More than 600 employees, representing a cross-section of Zamil Industrial's sectors, business units, and functional areas, participated in these online workshops and training sessions.

The workshops covered several key topics, including Zamil Industrial's core values, critical business skills, transformative change, absence management, workplace diversity, stress management, customer service orientation, communication skills, financial and business awareness, people management, results orientation, technology awareness and more.



The workshops also included policy refresher sessions to help employees better understand the nature and functions of specific policies.

The workshops aimed to create a platform for learning in the "new normal" by taking advantage of technological advances and providing Zamil Industrial employees with easily accessible learning tools. These workshops also aimed to help employees develop the critical skills they need to effectively perform their daily tasks at work and to support critical skills development and employee credibility. The workshops were tailored to the needs of the business to increase team effectiveness and productivity to maximize return on investment.

During the year, several groups of employees representing a cross-section of Zamil Industrial's sectors, business units and functional areas successfully completed the Ministry of Communications and Information Technology training programs in various areas of information technology.

To ensure that all employees are aware of the relevance and importance of their activities and how they contribute to achieving the quality objectives of the ISO standard, Zamil Steel Buildings Vietnam Co. continued to organize training on ISO quality management systems for all staff and employees.

In 2021, Zamil Air Conditioners conducted technical training sessions for project managers and maintenance and operations engineers at King Abdulaziz University in Jeddah. The training included lectures and interactive sessions on the latest air conditioning and refrigeration technologies, centrifugal chillers, best operating and installation techniques, and common methods for troubleshooting and resolving faults in various types of air conditioning systems and equipment.

Zamil Industrial's Corporate Loss Prevention Department (CLPD), in collaboration with the Saudi Authority for Industrial Cities and Technology Zones (Modon), organized a special seminar for CLPD staff at CLPD headquarters in Dammam First Industrial City. The seminar explained industrial regulations and requirements in general, requirements for obtaining operating permits, and areas where the authority provides assistance during emergencies, as well as a range of public safety issues.

In collaboration with the Security Department, Zamil Industrial's Human Resources Department organized a financial organization training program for a group of employees. The goal of the program is to provide participants with skills that will enable them to manage a family budget and daily expenses appropriately and with proper planning.

Corporate Social Responsibility

Zamil Industrial prides itself on its commitment to social responsibility in the communities in which it operates, partnering with charities and like-minded institutions to contribute extensively to a network of community service and development programs to help those in need. The company continues to support ambitious initiatives and social projects aimed at improving the living conditions and contributing to the prosperity of the communities in which Zamil Industrial companies operate. However, corporate social responsibility is not limited to the workplace. Zamil Industrial encourages all employees to volunteer and participate in various community-related activities and initiatives.

In 2021, Zamil Industrial continued to focus on implementing initiatives that helped mitigate the impact of the Coronavirus (COVID-19) pandemic. All Zamil Industrial business units took precautionary and preventive measures to address the potential risks of the spread of the new coronavirus and made every effort to protect employees and members of the community from this pandemic.

In January and September, Zamil Industrial organized and held its annual blood donation events in collaboration with King Fahad Specialist Hospital in Dammam. The events were held in both the First and Second Industrial Cities in Dammam and were attended by participants from across the company.

In 2021, Zamil Industrial's Human Resources Department, in collaboration with Bupa Arabia for Cooperative Insurance Co., organized the annual Health Lounge for Zamil Industrial employees at the premises of Zamil Industrial companies in Dammam, Jubail, Riyadh, and Jeddah. With a team of professional medical service providers from Bupa Arabia, the Health Lounge focuses on raising employee awareness of good health. Medical services offered at the Health Lounge include blood glucose and blood pressure checks, body mass index calculations, dental exams, eye exams, ear tests, and interpretation of results and intervention recommendations by a general practitioner.

In March, Zamil Steel organized a field trip for female students from the College of Architecture & Design in collaboration with Alasala Colleges in Dammam. The venue was

Zamil Steel's plant in the second industrial city of Dammam. The purpose of the visit was for the female students to explore the technical services, industrial operations, and production facilities and to learn about Zamil Steel's specific processes, products and capabilities.

In April, Zamil Air Conditioners participated as a Gold Sponsor in the HVAC-R Egypt Expo-ASHRAE 2021, the 5th International Exhibition and Conference for Heating, Ventilation, Air Conditioning, Refrigeration, Thermal Insulation and Energy. The event was held at the Egypt International Exhibition Center in Cairo. It was opened by H.E. Dr. Mohamed Shaker El-Markabi, Egyptian Minister of Electricity and Renewable Energy.

In June, Zamil Industrial participated in the third edition of The Big 5 Construct Egypt, a leading international construction event supported by the Egyptian Ministry of Housing, Utilities and Urban Communities. The event was held at the Cairo International Convention Center. Big 5 Construct Egypt is the largest construction event in the country. It provides a professional platform to promote industry best practices and business and investment opportunities in Egypt.

In August, Zamil Industrial's Human Resources Department organized the Zamil Industrial Ice Cream Day in collaboration with Zamil Food Industries Company. This fun annual event aims to cool the flames of summer and bring joy to employees. More than 1,500 ice creams were distributed to all employees across Zamil Industrial companies in Dammam. All the necessary health precautions were taken while distributing the ice cream, and everyone had a fun day.

In October, Zamil Air Conditioners sponsored a ceremony to honor healthcare professionals working on the front lines of the fight against the coronavirus pandemic. The ceremony was held at the headquarters of the "Tataman" clinic, part of the Saudi Ministry of Health's Dammam Health Network. It paid tribute to the containment of the pandemic and the extraordinary efforts of the heroes in the fight against the pandemic. The sponsorship of Zamil Air Conditioners relies on the strong partnership between government and private entities. It is a tribute to the citizens who took special and sincere care of the infected and suspected patients and provided them with health services.

In addition, Zamil Industrial, in collaboration with Saudi German Hospital in Dammam, organized an educational program for its employees on the early detection of breast cancer during Breast

Cancer Awareness Month in October. The program aimed to define breast cancers, identify their dangers, and educate employees about self-examination methods and the need to prevent the disease through regular screenings.

In November, the Information Technology Department at Zamil Industrial welcomed a group of information technology (IT) students from Imam Abdulrahman Bin Faisal University in Dammam, along with their instructors, when they visited the company. The purpose of the visit was to explain the role of the IT departments, the structure and different functions of the IT department, and the major projects that the ITG team is working on, including the "ASaaS" digital transformation project.

Moreover, Zamil Air Conditioners participated as a Bronze Sponsor in the 9th edition of the Real Estate Development Summit-Middle East, held in November 2021 at The Crowne Plaza Hotel in Dubai, UAE. The summit aimed to develop customized solutions for all stakeholders in the real estate industry. It was a meeting of the most important real estate companies in the Middle East, especially in Saudi Arabia. These companies, with current and upcoming projects in the residential, commercial, mixed-use, and hospitality sectors, explored business opportunities and deal-making strategies with solution providers from around the world.

As part of the social responsibility programs and initiatives that Zamil Industrial companies are undertaking around the world in collaboration with various government agencies and civil health organizations, Zamil Steel Buildings India conducted a vaccination program to protect the health and well-being of its employees. The company successfully administered the required doses of COVID-19 to all workers and employees working at its manufacturing facility in Ranjangaon, Pune.

In addition, Zamil Steel Buildings Vietnam actively participated in the expanded COVID-19 vaccination campaign, which is in line with the government's efforts to establish a "green zone" (COVID-19-free zone) to control the ongoing fourth wave of COVID-19 in Vietnam resulting from the emergence of the Delta variant. Zamil Steel Vietnam is among the highlighted enterprises in the Noi Bai Industrial Zone that have actively supported local authorities to ensure the safety of employees and workers and make Soc Son district a "green zone".

These campaigns are carried out in accordance with national and WHO guidelines for conducting mass vaccination campaigns related to the COVID-19 pandemic.

Zamil Industrial is committed to continuously improving health and safety standards for its employees at all levels of the company and providing employees with all the information and support they need to work safely at all times. In collaboration with the Saudi Ministry of Health, Zamil Industrial launched its annual seasonal influenza vaccination campaign at the beginning of the winter season. The campaign took place in December 2021 in both the First and Second Industrial Cities in Dammam.



13 Capital and Shares' Details

The following table details the company's capital. No debt instruments are convertible to stock.

Item	2021	2020	(%) change
Authorized and fully paid share capital	SAR 600 million	SAR 600 million	0
Issued shares	60 MILLION SHARES	60 MILLION SHARES	0
Nominal value	SAR 10	SAR 10	0

14 Corporate Governance Controls

The company has adhered to all mandatory provisions of the Corporate Governance Regulations while disclosing in general terms the details in subparagraph (b) of paragraph (4) of Article (93) of the Corporate Governance Regulations according to the table contained in paragraph (3) of Clause (26) of this report.

15 Board of Directors' Composition

The Board of Directors comprises eight members who are elected by the General Assembly before their memberships expire, and their term shall be three years, in accordance with the Companies' Law and the company's bylaws. The following table shows the names, positions and classifications of members of the Board of Directors, in accordance with corporate governance controls.

Name	Position	Classification
Khalid Abdullah Hamad Al Zamil	Chairman of the Board of Directors	Independent
Abdallah Saleh Jum'ah Al Dossari	Vice Chairman	Independent
Ahmed Abdullah Hamad Al Zamil	Member	Independent
Adib Abdullah Hamad Al Zamil As a representative of Zamil Group Holding Company	Member	Non-executive
Mohammed Ahmed Mahmoud Al-Ghaith As a representative of the Public Pension Agency	Member	Non-executive
Mohammad Sulaiman Mohammad Al Harbi	Member	Independent
Khalid Mohammed Saleh Al Fuhaid	Member	Independent
Abdulla Mohammed Abdullah Al Zamil	Member/CEO	Executive

The members of the Board of Directors were elected for the eighth term during the company's general assembly meeting on 28/04/2019, at which a vote was taken on the election of a new Board of Directors from among the candidates for Board membership for the eighth term, which runs from 01/05/2019 through 30/04/2022.

16 A description of any interest in a class of voting shares held by persons who have notified the company of their holdings, together with any change to such interests during the last fiscal year

There are no interests in a class of voting shares held by persons who have notified the company of their holdings or any change to such interests during the last fiscal year.

17 A description of any interests, contractual securities or rights issues of Board members and their relatives on shares or debt instruments of the company

Name	At year's beginning		At year's end		Net change	Change percentage
	Number of shares	Debt instruments	Number of shares	Debt instruments		
Khalid Abdullah Hamad Al Zamil	1,747,233	0	1,747,233	0	0	0%
Abdallah Saleh Jum'ah Al Dossari	2,666	0	2,666	0	0	0%
Ahmed Abdullah Hamad Al Zamil	1,000	0	1,000	0	0	0%
Adib Abdullah Hamad Al Zamil	1,459,302	0	1,459,302	0	0	0%
Mohammed Ahmed Mahmoud Al-Ghaith	0	0	0	0	0	0%
Mohammad Sulaiman Mohammad Al Harbi	1,000	0	1,012	0	12	0.012%
Khalid Mohammed Saleh Al Fuhaid	1,000	0	1,000	0	0	0%
Abdulla Mohammed Abdullah Al Zamil	21,000	0	21,000	0	0	0%

18 A description of any interests, contractual securities or rights issues of senior executives and their relatives on shares or debt instruments of the company

Name	At year's beginning		At year's end		Net change	Change percentage
	Number of shares	Debt instruments	Number of shares	Debt instruments		
Adel Ahmed Alghamdi	1,000	0	0	0	-1,000	(100%)
Said Fahad Al Daajani	10,000	0	0	0	-10,000	(100%)

19 Controlling interests of substantial shareholders who own 5% or more and percentage changes

Name	At year's beginning		At year's end		Net change	Change percentage
	Number of shares	%	Number of shares	%		
Zamil Group Holding Company	11,999,989	19.99	11,999,989	19.99	0	0%
Zamil Group Investment Company Ltd.	3,091,528	5.15	3,091,528	5.15	0	0%

Names, former and current positions, qualifications and expertise of Board members, committee members and executives

1 | Members of the Board of Directors:

Name	Current positions	Previous positions	Qualifications	Experience
Khalid Abdullah Hamad Al Zamil	<ul style="list-style-type: none"> Chairman of the Board, Zamil Group Holding Company 	<ul style="list-style-type: none"> Chairman, Zamil Group Holding Company Managing Director, Zamil Industrial Investment Co. Managing Director, Strategic Affairs, Zamil Group Holding Co. 	<ul style="list-style-type: none"> Bachelor's in Civil Engineering Executive education programs (Harvard and IMD) 	Professional experience since 1972
Abdallah Saleh Jum'ah Al Dossari	<ul style="list-style-type: none"> Retired 	<ul style="list-style-type: none"> CEO, Saudi Aramco 	<ul style="list-style-type: none"> B.A. in Political Science Executive Management program 	Professional experience since 1968
Ahmed Abdullah Hamad Al Zamil	<ul style="list-style-type: none"> Businessman 	<ul style="list-style-type: none"> President, Zamil Air Conditioners 	<ul style="list-style-type: none"> Bachelor's in Business Administration 	Professional experience since 1972
Adib Abdullah Hamad Al Zamil	<ul style="list-style-type: none"> Chief Executive Officer, Zamil Group Holding Company 	<ul style="list-style-type: none"> Managing Director, Finance and Investment, Zamil Group Holding Company Managing Director, Zamil Industrial Investment Co. Managing Director, Zamil Air Conditioners Financial Auditor, Zamil Group 	<ul style="list-style-type: none"> Bachelor's in Business Administration 	Professional experience since 1975
Mohammed Ahmed Mahmoud Al-Ghaith	<ul style="list-style-type: none"> Senior Auditor, Public Pension Agency 	<ul style="list-style-type: none"> Financial Auditor, Public Pension Agency Statistics Researcher, Public Pension Agency 	<ul style="list-style-type: none"> Master's in Financial Management Bachelor's in Operations Research 	Professional experience since 2001
Mohammad Sulaiman Mohammad Al Harbi	<ul style="list-style-type: none"> Freelance 	<ul style="list-style-type: none"> Chairman, Mohamed Al-Harbi Consulting Co. CEO, Takween Advanced Industries Chairman, Saudi German Company for Nonwoven Products Project Manager, Saudi Industrial Development Fund 	<ul style="list-style-type: none"> Bachelor's in Industrial Engineering 	Professional experience since 1992
Khalid Mohammed Saleh Al Fuhaid	<ul style="list-style-type: none"> Chairman of the Board of Directors, Manafea Arabia Holding Co. 	<ul style="list-style-type: none"> CEO, Midad Holding Co. General Manager, Aluminium Products Company (ALUPCO) 	<ul style="list-style-type: none"> Bachelor's in Mechanical Engineering 	Professional experience since 1989
Abdulla Mohammed Abdullah Al Zamil	<ul style="list-style-type: none"> CEO, Zamil Industrial Investment Co. 	<ul style="list-style-type: none"> COO, Zamil Industrial Investment Co. Various positions in Zamil Air Conditioners including VP 	<ul style="list-style-type: none"> Master's in Finance and Business Administration Bachelor's in Industrial Engineering 	Professional experience since 1987

2 | Executives:

Name	Current positions	Previous positions	Qualifications	Experience
Abdulla Mohammed Abdullah Al Zamil	• CEO, Zamil Industrial Investment Co.	• COO, Zamil Industrial Investment Co. • Various positions in Zamil Air Conditioners including VP	• Master's in Finance and Business Administration • Bachelor's in Industrial Engineering	Professional experience since 1987
Adel Ahmed Alghamdi	• Chief Financial Officer (CFO), Zamil Industrial	• CFO, Al Hokair Group • CFO, Air Liquide Arabia • Group Finance Manager, ARASCO Group	• Bachelor's in Accounting • Master of Business Administration	Professional experience since 2003
Said Fahad Al Daajani	• Director, Corporate Affairs; Corporate Secretary	• Public and Investor Relations Manager • Administrative Assistant	• BA in Administrative Sciences and Political Science • Certification in Governance • Certification in Investor Relations	Professional experience since 1998

21

Names of companies inside and outside the Kingdom of Saudi Arabia whose current or former Boards of Directors or management teams include members of the company's Board of Directors

Name	Current companies	Location	Legal entity	Former companies	Location	Legal entity
Khalid Abdullah Hamad Al Zamil	<ul style="list-style-type: none"> • SAHARA international Petrochemical Company • Middle East Battery Co. • Saudi Aramco Base Oil Company (Luberef) • Rabiah & Nassar and Zamil Concrete Industries Co. • Zamil Group Holding Co. 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Listed • Limited Liability • Limited Liability • Limited Liability • Unlisted 	<ul style="list-style-type: none"> • Gulf Insulation Group • Sigma Paints • Dar Al Yaum for Press, Printing & Publishing 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Unlisted • Limited Liability • Limited Liability
Abdallah Saleh Jum'ah Al Dossari	<ul style="list-style-type: none"> • Hassana Investment Co. • Saudi Investment Bank • Saudi Arabian Mining Company (Ma'aden) • US Saudi Business Council 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Unlisted • Listed • Listed • Govt. Entity 	<ul style="list-style-type: none"> • Halliburton • Saudi Arabian Oil Company (Saudi Aramco) • Motiva • Motor Oil Hellas • Petron • S-Oil Corporation • Saudi Petroleum International, Inc. • Saudi Arabian Airlines 	<ul style="list-style-type: none"> • Abroad • In KSA • Abroad • Abroad • Abroad • Abroad • Abroad • In KSA 	<ul style="list-style-type: none"> • Listed • Listed • Limited Liability • Listed • Listed • Listed • Unlisted • Unlisted
Ahmed Abdullah Hamad Al Zamil	—	—	—	<ul style="list-style-type: none"> • Zamil Group Holding Co. • United Plastic Cards Co. • Sigma Paints • Saudi German Company for Nonwoven Products • Gulf Packaging Industries • Saudi Industrial Export Co. 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Unlisted • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability
Adib Abdullah Hamad Al Zamil	<ul style="list-style-type: none"> • United Carton Industries Co. • Jadwa Investment • Fajr Capital • Saudi Arabian Investment Co. (Sanabil) • Zamil Group Holding Co. • Saudi Guardian International Float Glass Co. Ltd. 	<ul style="list-style-type: none"> • In KSA • In KSA • Abroad • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Limited Liability • Unlisted • Limited Liability • Unlisted • Unlisted • Limited Liability 	<ul style="list-style-type: none"> • Al-Bilad Bank • Methanol Chemicals Co. (Chemanol) • Gulf Union Co-Operative Insurance Co. • Dana Gas 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • Abroad 	<ul style="list-style-type: none"> • Listed • Listed • Listed • Listed

21 **Names of companies inside and outside the Kingdom of Saudi Arabia whose current or former Boards of Directors or management teams include members of the company's Board of Directors (continued)**

Name	Current companies	Location	Legal entity	Former companies	Location	Legal entity
Mohammed Ahmed Mahmoud Al-Ghaith	—	—	—	—	—	—
Mohammad Sulaiman Mohammad Al Harbi	<ul style="list-style-type: none"> • National Company for Glass Industries • Arabian Amines Company • National Talents Co. • Gas Arabian Services Co. • Musharaka Capital Co. • Saudi Guardian International Co. • Guardian Glass International Company 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • Abroad 	<ul style="list-style-type: none"> • Listed • Limited Liability • Limited Liability • Unlisted • Unlisted • Limited Liability • Limited Liability 	<ul style="list-style-type: none"> • Hail Agricultural Development Co. • Takween Advanced Industries 	<ul style="list-style-type: none"> • In KSA • In KSA 	<ul style="list-style-type: none"> • Listed (formerly) • Listed
Khalid Mohammed Saleh Al Fuhaid	<ul style="list-style-type: none"> • Manafea Arabia Holding Co. • Manafea Holding (Health Care) • Manafea Industrial Co. • Life Lines Medical Co. • First United Medical Co. • Al-Narjes Real Estate Development Co. 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability 	<ul style="list-style-type: none"> • Midad Holdings • Manafea Al-Bahr Co. • Manafea Al-Jazeera Co. • Manafea Al Sharq Co. • Aluminum Rolling Shutter Co. • Designs and IT Co. • Cherish Cosmetics • Manafea Gulf Co. 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • Abroad 	<ul style="list-style-type: none"> • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability
Abdulla Mohammed Abdullah Al Zamil	<ul style="list-style-type: none"> • Gulf Insulation Group • Zamil Steel Holding Co. • Zamil Air Conditioners Holding Co. • Energy Central Saudi Arabia • Saudi Rock Wool Factory • Saudi Preinsulated Pipes Industries • Second Insulation Company • Rabiah & Nassar and Zamil Concrete Industries Co. • Arabian Fiberglass Insulation Co. • Arabian Stonewool Insulation Co. • Zamil Industrial Investment Co. (Singapore) • Zamil Air Conditioning and Refrigeration Services Co. (Bahrain) • Zamil Steel Buildings Co. (Egypt) • Zamil Structural Steel Co. (Egypt) • Metallic Construction and Contracting Co. (Egypt) • Zamil Steel Buildings Co. (Vietnam) • Zamil Steel Buildings Co. (India) • Zamil Steel Engineering India Pvt. Ltd. (India) • Zamil Construction India Pvt. Ltd. (India) • Zamil Information Technology Global Pvt. Ltd. (India) • Zamil Air Conditioners Technology Global Pvt. Ltd. (India) • Zamil Steel Buildings Pvt. Ltd. (China) • Gulf International Bank Capital (GIB Capital) – KSA • Gulf International Bank – KSA • Gulf International Bank – Bahrain • Saudi Global Ports Co. • Eastern Province Council • Board of Directors of Awqaf Sulaiman Al Rajhi Holding Company • Board of Directors of First Health Cluster in Eastern Province 	<ul style="list-style-type: none"> • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • In KSA • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • Abroad • In KSA • In KSA • Abroad • In KSA • In KSA • In KSA • In KSA 	<ul style="list-style-type: none"> • Unlisted • Holding • Holding • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability • Limited Liability (GCC) • Unlisted • Unlisted • Unlisted • Unlisted • Govt. Entity • Holding • Govt. Entity 	<ul style="list-style-type: none"> • Saudi Food Bank • Endeavor Saudi Arabia • Gulf International Bank (UK) • VIVA Bahrain • Dammam Airport Co. 	<ul style="list-style-type: none"> • In KSA • In KSA • Abroad • Abroad • In KSA 	<ul style="list-style-type: none"> • Limited Liability • Limited Liability • Unlisted • Unlisted • Limited Liability

22

Board Meeting Attendance Record

In 2021, the Board of Directors convened (4) times during its eighth term. Members of the Board of Directors are paid sitting fees for each meeting they attend. Any member who did not attend a Board of Directors meeting has appointed another member as a proxy to attend in their stead and vote on their behalf. The following is an attendance sheet.

Name	8 th Term				Total
	No. (8/8) on 22/03	No. (9/8) on 24/06	No. (10/8) on 26/09	No. (11/8) on 19/12	
Khalid Abdullah Hamad Al Zamil	✓	✓	✓	✓	4
Abdallah Saleh Jum'ah Al Dossari	✓	✓	✓	✓	4
Ahmed Abdullah Hamad Al Zamil	✓	✓	✓	✓	4
Adib Abdullah Hamad Al Zamil	✓	✓	✓	✓	4
Mohammed Ahmed Mahmoud Al-Ghaith	✓	✓	✓	✓	4
Mohammad Sulaiman Mohammad Al Harbi	✓	✓	✓	✓	4
Khalid Mohammed Saleh Al Fuhaid	✓	✓	✓	✓	4
Abdulla Mohammed Abdullah Al Zamil	✓	✓	✓	✓	4

23

Procedure taken by the Board of Directors to inform its members of the shareholders' suggestions and remarks on the company and its performance

The company's bylaws grant shareholders the right to attend General Assembly meetings to learn about the company's overall situation, activities and performance during the ended fiscal year. They also have the right to engage in deliberation and discussions conducted during meetings, and the Board of Directors shall answer questions raised by shareholders to the extent that doing so does not jeopardize the company's interests. The regulations protect the right to inquire and request information.

The Secretary of the Board and the Investor Relations Department, in turn, shall serve as a communication channel between shareholders, the Chairman of the Board of Directors and the company's Chief Executive Officer. It shall also

present the Board of Directors with material views, suggestions and comments, if any, at the Board's first meeting following the General Assembly.

Committees of the Board of Directors

The Board of Directors has two substantive committees: the **Audit Committee** and the **Nomination and Remuneration Committee**. The committees comprise members of the Board of Directors, in accordance with the directives and regulations in place in connection with this matter. The following is a brief description of each committee:

1) Audit Committee

The Audit Committee comprises (3) members. It was formed by a resolution of the General Assembly on 28 April 2019.

It works in compliance with the duties and procedures provided in the Companies' Law, the Corporate Governance Regulations and the Audit Committee Regulations approved by the General Assembly. The Audit Committee is competent in monitoring the company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the Audit Committee specifically include the following:

A) Financial Reports:

1. Analyzing and monitoring the company's interim and annual financial statements before they are presented to the Board of Directors, and expressing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Expressing its technical opinion, at the request of the Board of Directors, regarding whether the Board Report and the company's financial statements are fair, balanced and understandable and contain information that allows shareholders and investors to assess the company's financial position, performance, business model and strategy.
3. Examining any important or unusual issues contained in the financial reports.
4. Accurately investigating any issues raised by the company's Chief Financial Officer or any person assuming their duties or the company's compliance officer or external auditor.
5. Examining the accounting estimates with respect to significant matters that are contained in the financial reports.
6. Examining the accounting policies followed by the company and expressing its opinion and recommendations thereon to the Board of Directors.

B) Internal Audit:

1. Examining and reviewing the company's internal and financial control systems and risk management system.
2. Analyzing internal audit reports and observing the implementation of corrective measures with respect to the remarks made in such reports.
3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the company has no internal auditor, the committee shall provide a recommendation to the Board of Directors on whether there is a need to appoint an internal auditor.
4. Providing recommendations to the Board of Directors for appointing a manager of the internal audit unit or department or an internal auditor and suggesting their remunerations, or approving the appointment of a professional accounting firm to undertake internal audit duties.

C) External Auditor:

1. Providing recommendations to the Board of Directors to appoint external auditors, dismiss them, determine their remunerations and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2. Verifying the external auditors' independence, their objectivity and the fairness and effectiveness of the audit activities, taking into account the relevant rules and standards.
3. Reviewing the plan for the company's external auditors and their activities and ensuring that they do not provide any technical or administrative services that are beyond their scope of work, and providing its opinion thereon.
4. Responding to the company's external auditor's queries.
5. Reviewing the external auditor's reports and comments on the financial statements and following up on the procedures taken in connection therewith.

D) Ensuring Compliance:

1. Reviewing the findings of supervisory authorities and ensuring that the company has taken the necessary actions in connection therewith.
2. Ensuring the company's compliance with the relevant laws, regulations, policies and instructions.
3. Reviewing the contracts and proposed related party transactions and providing its recommendations to the Board of Directors in connection therewith.
4. Reporting to the Board of Directors any issues in connection with which it deems it necessary to take action, and providing recommendations as to the steps that should be taken.

In 2021, the committee convened (5) times during the Board's eighth term. An attendance sheet is shown below:

Meeting No.	Mohammad Sulaiman Mohammad Al Harbi (Chairman)	Mohammed Ahmed Mahmoud Al-Ghaith	Khalid Mohammed Saleh Al Fuhaid
8 th Term (Meeting Date)			
No. (9/8) on 18/03	✓	✓	✓
No. (10/8) on 30/03	✓	✓	✓
No. (11/8) on 22/04	✓	✓	✓
No. (12/8) on 12/08	✓	✓	✓
No. (13/8) on 28/10	✓	✓	✓
Total	5	5	5

2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises (3) members nominated by the Board of Directors.

It works in compliance with the duties and procedures provided in the Corporate Governance Regulations and the Nomination and Remuneration Regulations approved by the General Assembly, including:

1. Preparing a clear policy for the remuneration of members of the Board of Directors and its committees and senior executives and presenting such policy to the Board of Directors in preparation for approval by the General Assembly, provided that such policy follows standards that are connected to performance, and disclosing and ensuring the implementation of such policy.
2. Clarifying the relation between the remunerations paid and the adopted remuneration policy and highlighting any material deviation from that policy.
3. Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
4. Providing recommendations to the Board of Directors with respect to the remunerations of its members, committee members and senior executives, in accordance with the approved policy.
5. Suggesting clear policies and standards for Board of Directors and Executive Management membership.
6. Providing recommendations to the Board of Directors for the nomination or re-nomination of members in accordance with the approved policies and standards, taking into account that nominations shall not include any person convicted of a crime involving dishonesty.
7. Preparing a description of the capabilities and qualifications required for membership on the Board of Directors and Executive Management positions.
8. Determining the amount of time that the member shall allocate to Board of Directors activities.
9. Annually reviewing the skills and expertise required of members of the Board of Directors and Executive Management positions.
10. Reviewing the structure of the Board of Directors, Committees and the Executive Management and providing recommendations regarding changes that may be made to such structure.
11. Annually ensuring the independence of independent directors and the absence of any conflicts of interest if a member of the Board of Directors also acts as a member of the Board of Directors of another company.
12. Setting forth job descriptions for executive, non-executive and independent directors and senior executives.
13. Setting special procedures to be followed in the event that the position of a member of the Board of Directors or a senior executive becomes vacant.
14. Determining the strengths and weaknesses of the Board of Directors and recommending remedy solutions that serve the company's interests.
15. Assessing the matters that fall within its authority or those referred to it by the Board of Directors and communicating its recommendations to the Board of Directors to issue decisions in connection therewith or make decisions with regard to these matters if delegated by the Board of Directors.
16. Seeking assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the committee meeting minutes; the minutes shall state the name of the expert and his or her relation to the company or its Executive Management.

The committee convened twice in 2021 during the Board's eighth term. An attendance sheet is shown below:

Meeting No.	Abdallah Saleh Jum'ah Al Dossari (Chairman)	Khalid Abdullah Hamad Al Zamil	Mohammad Sulaiman Mohammad Al Harbi
8 th Term (Meeting Date)			
No. (4/8) on 23/06	✓	✓	✓
No. (5/8) on 19/12	✓	✓	✓
Total	2	2	2

25 The means used by the Board of Directors to assess its performance and the performance of its committees and members, the external body which conducted the assessment and its relation to the company, if any

The Nomination and Remuneration Committee shall determine the strengths and weaknesses of the Board of Directors and recommend remedy solutions that serve the company's interests. The Chairman of the Board of Directors shall evaluate the Nomination and Remuneration Committee. The Board of Directors has not appointed an external body to conduct the performance assessment during the fiscal year 2021, and the Nomination and Remuneration Committee will review this matter.

26 Remunerations and compensations for members of the Board of Directors, committee members and senior executives

The following tables detail all remuneration and compensation paid to members of the Board of Directors, committee members and senior executives during the fiscal year 2021. Remuneration and compensation are subject to the remuneration policy approved by the General Assembly. The Board recognizes that there is no significant deviation from this policy:

1 | Members of the Board of Directors:

Member	Fixed remuneration							Variable remuneration						(SAR '000)		
	Specific amount	Allowance for attending Board Meetings	Allowance for attending Committee meetings	In-kind Benefits	Remunerations for technical and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic Remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End of Service Benefit	Grand total	Expenses allowance
First: Independent Directors																
Khalid Abdullah Hamad Al Zamil	200	12	6	0	0	0	218	0	0	0	0	0	0	0	218	0
Abdallah Saleh Jum'ah Al Dosari	200	12	6	0	0	0	218	0	0	0	0	0	0	0	218	0
Ahmed Abdullah Hamad Al Zamil	200	12	0	0	0	0	212	0	0	0	0	0	0	0	212	0
Mohammad Sulaiman Mohammad Al Harbi	200	12	33	0	0	0	245	0	0	0	0	0	0	0	245	0
Khalid Mohammed Saleh Al Fuhaid	200	12	27	0	0	0	239	0	0	0	0	0	0	0	239	0
Second: Non-Executive Directors																
Adib Abdullah Hamad Al Zamil	200	12	0	0	0	0	212	0	0	0	0	0	0	0	212	0
Mohammed Ahmed Mahmoud Al-Ghaith	200	12	15	0	0	0	227	0	0	0	0	0	0	0	227	0
Third: Executive Directors																
Abdulla Mohammed Abdullah Al Zamil	200	12	0	0	0	0	212	0	0	0	0	0	0	0	212	0
Total	1,600	96	87				1,783								1,783	

Note: The members of the Board of Directors received no compensation for consulting, technical or administrative services in 2021.

2 | Committee members

Member	Fixed remuneration	Allowance for attending meetings	Total
Audit Committee members:			(SAR '000)
Mohammad Sulaiman Mohammad Al Harbi	0	15	15
Mohammed Ahmed Mahmoud Al-Ghaith	0	15	15
Khalid Mohammed Saleh Al Fuhaid	0	15	15
Nomination and Remuneration Committee members:			
Abdallah Saleh Jum'ah Al Dosari	0	6	6
Khalid Abdullah Hamad Al Zamil	0	6	6
Mohammad Sulaiman Mohammad Al Harbi	0	6	6

3 | Senior Executives

Fixed remuneration				Variable remuneration				(SAR '000)			
Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End of Service Benefit	Total remunerations for Board executives, if any
4,349	1,135	0	5,484	0	0	0	0	0	0	0	200
Grand total										5,684	

Five senior executives who received the highest remunerations, including the CEO and the CFO

Note: The company compiled and disclosed the total remuneration of its senior executives in accordance with the statutory requirements contained in subparagraph (b) of paragraph (4) of Article (93) of the Corporate Governance Regulations.

It is worth mentioning that members of the Board of Directors will only receive their annual remuneration for the fiscal year that ended 31 December 2021 in their capacities as members of the Board of Directors after the approval of the company's General Assembly, which will convene at a later date. Members' remunerations are in accordance with the laws issued by the relevant authorities in this regard.

Remuneration policy

In compliance with Article 93 of the Corporate Governance Regulations, the General Assembly, in its meeting on 31 December 2017, approved the "Remuneration and Compensation Policy for members of the Board, Committees and the Executive Management." The major standards and mechanisms that apply for remunerations of members of the Board of Directors, its committees and the Executive Management are as follows:

General remuneration standards:

Under this policy, the company's Nomination and Remuneration Committee provides recommendations to the Board of Directors on the remunerations and compensations of members of the Board of Directors, its committees and the Executive Management in accordance with the following standards:

1. Remuneration and compensation shall be consistent with the company's strategy and objectives.
2. Remuneration shall be proportionate to the company's activity and the skills required for its management.
3. The policy shall be designed in coordination with the Nomination and Remuneration Committee when new members are appointed.
4. The industry in which the company operates, its size and the expertise of members of the Board of Directors and Executive Management shall be taken into account.
5. Practices adopted by other companies with respect to determining remunerations and practices common to the market shall be taken into account, provided that any unjustifiable increases in remunerations and compensations that may result therefrom be avoided.
6. Remuneration shall be determined based on the job level as well as its holder's duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
7. Remuneration shall be provided with the aim of encouraging members of the Board of Directors and Executive Management to contribute to the success of the company and its long-term development by, for example, linking the variable part of the remuneration to long-term performance.
8. To prevent abuse of power to obtain unmerited remuneration, remunerations shall be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board of Directors, its committees or the Executive Management.
9. The granting of company shares to members of the Board of Directors and Executive Management, whether newly issued or purchased by the company, shall be regulated.
10. Members of the Board of Directors may not vote on the Board of Directors members' remuneration at the shareholders' General Assembly meeting.
11. Members of the Board of Directors may receive remuneration for their membership in the Audit Committee composed by the General Assembly or for any additional executive, technical, administrative or consultation – under a professional license – duties or positions that may be commissioned to them within the company, in addition to the remuneration that they may receive in their capacity as members of the Board of Directors and committees composed by the Board of Directors in accordance with the Companies' Law and the company's bylaws.
12. Remunerations of members of the Board of Directors shall vary in their magnitudes in a manner that reflects each member's experience, competencies, duties, independence, number of sessions attended and other relevant considerations.
13. Remunerations for independent members of the Board of Directors must not be a percentage of the company's profits or be directly or indirectly based on the company's profitability.
14. In the event that the General Assembly decides to terminate the membership of a member of the Board of Directors following their absence from three consecutive board meetings without a legitimate excuse, such member shall not be entitled to any remuneration for the period following the last meeting that they attended. They shall refund any remuneration that was issued for that period.

Remunerations for members of the Board of Directors:

1. Remunerations for members of the Board of Directors may be fixed sums, attendance allowances, benefits in kind, a percentage of net profits or a combination of such benefits.
2. In the event that remunerations are a percentage of the company's profits, such percentage may not amount to more than 10% of the net profits after setting aside the reserves determined by the General Assembly in accordance with the provisions of the law and the company's bylaws and after distributing profits to the shareholders equal to no less than 5% of the company's paid capital, provided that such remunerations be proportionate to the number of sessions attended by the member. Any assessment inconsistent with that shall be void.
3. In all cases, the sum of remuneration, in-kind benefits or financial benefits received by each member of the Board of Directors shall not exceed SAR 500,000 per annum, in accordance with the regulations set forth by the competent organization.
4. The Board Report submitted to the General Assembly must detail all remuneration, allowances for expenses and other benefits collected by members of the Board of Directors throughout the fiscal year. It must also detail all fees collected by members of the Board of Directors in their capacities as employees or administrative employees and the compensations received by them for technical or administrative work or consultations. It must also detail the number of board meetings and the number of sessions attended by each member of the Board of Directors since the last General Assembly meeting.

Remunerations for committee members:

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall determine and approve remuneration, attendance fees and other entitlements for the membership of its committees, with the exception of the Audit Committee.
2. Remuneration for committee membership shall be in the form of a lump sum in addition to meeting attendance fees.
3. Remuneration for membership of the Audit Committee shall be approved by the shareholders' General Assembly based on the recommendation of the Board of Directors.
4. The number of memberships held by a member of the Board of Directors shall be taken into account upon the composition of committees, such that the total remuneration amount disbursed to a member for their membership on the Board of Directors and its committees shall not exceed the maximum provided in the Companies' Law and in accordance with clause (11) of Article (3) of this policy.

Remunerations for the Executive Management:

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall determine the types of remuneration disbursed to senior executives in the company – such as fixed remuneration, performance-based remuneration and bonuses – without prejudice to directives and regulations issued to joint-stock companies.
2. Senior executives' remunerations shall be consistent with the company's strategic objectives and proportionate to the company's activity and its management skills, while taking into account the industry in which the company operates and the company's size.
3. The Nomination and Remuneration Committee will continually review incentive plans for senior executives and submit its recommendations to the Board of Directors for approval.
4. The objective of remuneration is to foster the necessary competitive atmosphere to attract and retain qualified, skilled employees and maintain the skillfulness that the company requires.

General terms:

1. Remunerations for members of the Board of Directors and its committees and secretary shall be disbursed annually following the approval of the consolidated annual financial statements (after audit) by the company shareholders' General Assembly.
2. Attendance allowance may be disbursed quarterly or with annual remuneration following each session.
3. In the event that more than one meeting is convened on one day, allowances and other expenses shall be disbursed only once.
4. Remunerations for members of the Executive Management shall be disbursed annually as soon as they are approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The company's policy on profit distribution

The decision to distribute any cash profits shall be made based on the assessment and recommendation of the Board of Directors, and all existing factors shall be taken into consideration, including but not limited to the company's financial position, cash inflow, future investments, and the performance of the company's sectors. The company has been distributing annual profits to shareholders since it was established, but past distributions do not necessarily guarantee future distributions.

The Company has not distributed any dividend for the year 2021, taking into account that the profit distribution policy is set out in Article (41) of the Company's Bylaws as follows:

Net profits of the company shall be distributed as deemed reasonable by the Board, provided that the General Assembly delegates the distribution of periodic payouts and are renewed on an annual basis, according to the following method:

- 10% of the net profits shall be kept as a statutory reserve, and the ordinary General Assembly may discontinue this deduction when such reserve reaches 30% of the paid-up capital.
- The ordinary General Assembly may, upon a Board proposal, set aside 10% of the net profits to build up a conventional reserve, which shall be used for specific purpose(s).
- The ordinary General Assembly may decide to build up other reserves to the extent that doing so fulfills the company's interests or guarantees continuous cash dividend distribution. The General Assembly can also choose to establish social and welfare programs for its employees or support existing ones.
- The remaining amount shall be distributed to shareholders at no less than 5% of the paid-up capital.
- Observing the provisions stipulated in Article (16) and Article (76) of the Companies' Act, the Nomination and Remuneration Committee recommends the remuneration of the Board, provided it does not exceed the maximum amount as per the prevailing regulations. Moreover, the remuneration should be pro-rata with the number of actual meetings the member attends.

Related Party Transactions

As part of Zamil Industrial Investment Company (Zamil Industrial) subsidiaries' continuous activities, there are business and contracts between them and Zamil Group Holding Company in 2021, which is represented by **Mr. Adib A. Al Zamil**.

Such business and contracts are either annual or time-limited; they are renewed automatically, and agreements on them have been reached in previous years, as they are a continuation of long-standing relationships.

Agreements in that regard are reached in light of common commercial terms and in accordance with the company's relevant internal procedures and bylaws.

All prices and terms of payment for these agreements and transactions are approved by the Board of Directors. The vote of the related party is excluded from voting during the meeting. They are also approved and authorized annually for each upcoming year by the shareholders' General Assembly.

The following is a list of the company's sales, purchases, and other transactions completed during the fiscal year ended 31 December 2021:

A) Purchasing the company's goods and services from the following companies:

Company Name	Business Relation	Amount (SAR '000)
Zamil Group Holding Company	Affiliated with a shareholder	48,907,153
Arabian Gulf Construction Company	Affiliated with a shareholder	562,755

B) The company's sales of goods and services to the following companies:

Company Name	Business Relation	Amount (SAR '000)
Zamil Group Holding Company	Affiliated with a shareholder	23,485,597
Arabian Gulf Construction Company	Affiliated with a shareholder	0

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Results of the annual review of the effectiveness of the company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the company's internal control system

The Corporate Internal Audit Department independently implements the audit plan approved by the Audit Committee and regularly assesses the internal control systems applied within the Group and its subsidiaries inside and outside Saudi Arabia. It also follows up with executive departments on the implementation of recommendations and remedy procedures for remarks provided in its reports.

Judging by internal review reports, the Audit Committee verified the effectiveness of financial, operational and administrative policies and procedures, and it did not reveal any substantial risks that may affect the company's activities. Based on the information obtained by the Audit Committee, there were no major remarks for the year 2021 that may impact the company's financial position. Minor remarks are issued in the framework of the daily activities and business of the company and the industries in which it operates; they are taken into account, and appropriate solutions and procedures are immediately devised for their remedy. It is noteworthy that the Executive Management continues to take the necessary remedy procedures to mitigate the risks mentioned in internal review reports and to adhere to the applicable policies, laws and instructions.

The Committee also verified the external auditor's independence, and a discussion was conducted regarding the company's performance, including the annual and quarterly financial statements and the appended clarifications, all prior to submission to the Board of Directors.

During 2021, the Audit Committee held five meetings, given that the Committee performs the duties and functions set out in the Companies Law, the Corporate Governance Regulations, the Company's Bylaws and the Audit Committee Regulations.

Generally, the Audit Committee is confident in the effectiveness of the company's internal control system. Thus, the Board of Directors acknowledges the functionality and effectiveness of the company's internal control system in the realization of the company's purposes and shareholders' benefit.

31 The Audit Committee's recommendation regarding the need to appoint an internal auditor for the company in the absence of an internal auditor

The company has a department concerned with internal auditing that is headed by the general auditor. The general auditor continually and periodically keeps the Audit Committee informed by means of regular reports. Therefore, the Audit Committee has not made any recommendations regarding the need to appoint an internal auditor.

The Corporate Internal Audit Department also prepares and develops the company's policies and provides consultation, assistance and clarification on policies, procedures, internal regulations and other relevant fields, contributing to the enhancement and improvement of internal auditing.

32 The Audit Committee's recommendations that conflict with resolutions of the Board of Directors or those which the Board of Directors has disregarded relating to the appointment, dismissal, assessment or determination of the remuneration of the internal auditor, as well as justifications for those recommendations and reasons for disregarding them

No recommendations by the Audit Committee were disregarded by the Board of Directors.

33 Any punishment, penalty, precautionary procedure or preventive measure imposed on the company by the Capital Market Authority or any other supervisory, regulatory or judicial authority, and the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future

The Board of Directors declares that no punishment, penalty, precautionary procedure or preventive measure has been imposed on the company by the Capital Market Authority or any other supervisory, regulatory or judicial authority.

34 Company announcements and disclosures in 2021

During 2021, the company posted announcements and disclosures of material events on the Saudi Stock Exchange website (Tadawul). They included the following.

#	Announcement Date	Announcement Title
1	18/03/2021	The company's announcement of its annual financial results for the fiscal year ending 31 December 2020
2	13/04/2021	The company invited shareholders to attend the Ordinary General Assembly (First Meeting)
3	22/04/2021	The company announced its interim condensed financial results for the three-month period ending 31 March 2021
4	09/05/2021	The company announced the results of the Ordinary General Assembly (First Meeting)
5	12/08/2021	The company announced its interim condensed financial results for the six-month period ending 30 June 2021
6	30/08/2021	The company announced that one of its subsidiaries was awarded a contract by Tatweer Buildings Company
7	28/10/2021	The company announced its interim condensed financial results for the nine-month period ending 30 September 2021
8	01/12/2021	The company announced the call for nominations to the Board of Directors for the next term

35 Numbers of the company's requests of shareholder records and the dates and reasons thereof

In 2021, the company's Investor Relations Department requested shareholder records (14) times using the **Tadawulat** service, in the following manner and for the following reasons.

Req.	Date of request	Date of ownership	Reason
1	05/01/2021	04/01/2021	Preparation of annual analysis report
2	03/02/2021	02/02/2021	Preparation of monthly analysis report
3	04/03/2021	02/03/2021	Preparation of monthly analysis report
4	05/04/2021	04/04/2021	Preparation of monthly analysis report
5	05/05/2021	03/05/2021	Preparation of monthly analysis report
6	06/05/2021	06/05/2021	Attendance record of the General Assembly meeting
7	02/06/2021	02/06/2021	Preparation of monthly analysis report
8	04/07/2021	04/07/2021	Preparation of monthly analysis report
9	03/08/2021	02/08/2021	Preparation of monthly analysis report
10	05/09/2021	02/09/2021	Preparation of monthly analysis report
11	03/10/2021	04/10/2021	Preparation of monthly analysis report
12	03/11/2021	02/11/2021	Preparation of monthly analysis report
13	05/12/2021	02/12/2021	Preparation of monthly analysis report
14	30/12/2021	03/01/2022	Preparation of monthly analysis report

36 A list of the dates of the General Assembly meetings held during the last fiscal year and the names of members of the Board of Directors who attended them

During the fiscal year 2021, the company convened only one General Assembly meeting. The following is a list of the members of the Board of Directors present at the meeting.

Board member	Ordinary General Assembly (06/05/2021)
Khalid Abdullah Hamad Al Zamil (Chairman)	✓
Abdallah Saleh Jum'ah Al Dossari (Vice Chairman)	✓
Ahmed Abdullah Hamad Al Zamil	✓
Adib Abdullah Hamad Al Zamil	✓
Mohammed Ahmed Mahmoud Al-Ghaith	✓
Mohammad Sulaiman Mohammad Al Harbi	✓
Abdulla Mohammed Abdullah Al Zamil	✓
Khalid Mohammed Saleh Al Fuhaid	✓

37 Statement regarding the value of any investments made or any reserves set up for the benefit of the employees of the company

No investments have been made or reserves set up for the benefit of the company's employees.

38 Board of Directors' Declarations

The Board of Directors affirms the following:

1. The accounting records have been prepared correctly.
2. The internal control system has been properly prepared and implemented effectively.
3. There is no doubt with regard to the company's ability to continue its activity.
4. No shares or debt instruments have been issued for affiliate companies.
5. There are no interest, contractual securities or rights issues of the members of the Board of Directors, senior executives or their relatives on shares or debt instruments of the company or its affiliates.
6. There are no classes or numbers of any convertible debt instruments, contract-based securities, warrants or similar rights issued or granted by the company during the fiscal year or any compensation obtained by the company in this regard.
7. There are no conversion or subscription rights under any convertible debt instruments, contract-based securities, warrants or similar rights issued or granted by the company.
8. There have been no redemptions, purchases or cancellations by the company or any of its subsidiaries of any redeemable debt instruments during 2021.
9. There have been no transactions between the company and related parties.
10. Aside from what has been listed in this report, there are no contracts to which the company is party and which involve or previously involved a substantial interest, whether directly or indirectly, for a member of the Board of Directors, a senior executive or a person related to any of the above.
11. There are no arrangements or agreements under which a shareholder of the company, a member of the Board of Directors, a senior executive or an employee of the company has waived any rights to dividends.
12. There are no undisclosed conflicts of interest.
13. The company has not received a request/call from the certified public accountant for the convention of the General Assembly in 2021.
14. The company has not received a request/call from shareholders holding shares equal to at least 5% of the share capital of the company for the convention of the General Assembly in 2021.
15. There have been no procedures that may lead to the impediment of shareholders' voting rights.
16. The company has not provided any member of its Board of Directors or its senior executives with loans or credit facilities.

39 Conclusion

The Board of Directors of Zamil Industrial Investment Company (Zamil Industrial) would like to thank the Custodian of the Two Holy Mosques, the Crown Prince, and our good government for the continuous support the company has received to stimulate the economic development process and promote national industries. The Board of Directors would also like to thank the staff of the Ministry of Commerce, the Ministry of Investment, the Capital Market Authority, and the Saudi Stock Exchange (Tadawul) for their cooperation and efforts in serving national companies.

In addition, the Board of Directors expresses its sincere appreciation and gratitude to the Company's shareholders and customers inside and outside the Kingdom of Saudi Arabia, as well as to all Zamil Industrial Investment Company employees in all sectors, branches, factories, and internal and external offices for their continuous and sincere efforts to achieve the Company's goals, protect its profits and interests, and enhance its competitiveness locally, regionally, and globally.

Board of Directors