

Board of Directors Report For the fiscal year 2023 G





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



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

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,M/S. Shareholders of Sinad Holding

,Greetings

The Board of Directors of Sinad Holding ("Company") is pleased to present to you the Board Annual Report for the year 2023. This report reviews the Company's general position and financial performance during the said fiscal year. It also highlights the Company's future directions, key strategies, and factors affecting its operations

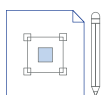
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Company Overview:

Sinad Holding is a Saudi joint stock company listed on the Saudi Exchange (Tadawul) under Code No. (4080.SR), within the food production sector.



The Company was established under Royal Decree No. M/78 on 7/11/1395H, corresponding to 11/11/1975. It commenced its operations after the announcement of its incorporation and the issuance of its commercial registration under number 5850000276 on 15/01/1397H, corresponding to 05/01/1977. It is headquartered in the city of Riyadh.



In line with the Company's strategic direction, the Extraordinary General Assembly approved on 09/01/2022 the relocation of the Company's headquarters from Abha city to Riyadh. The Company's name was changed from "Aseer for Trading, Tourism, Industry, Agriculture, Real estate and Contracting Company" to "Sinad Holding Company." Furthermore, the Company's objectives were amended to include holding company activities.



Since its establishment, the Company has undergone various stages of development, transforming its business nature from a company engaged in multiple operations and activities to an investment holding company. Its authorized capital is SAR 1,263,888,890, and the number of issued shares is 126,388,889, with a nominal value of SAR 10 per share, fully paid, as of the end of the year 2023. There have been no changes in these figures compared to the year 2022.

The Company's Fiscal Year:

According to the Company's Articles of Association, the fiscal year starts on the first of January and ends on the last day of December of each year, based on the Gregorian calendar.

Company auditor:

The Company's accounts were audited by Dr. Mohamed Al-Amri & Co. (BDO), based on the resolution of the Fifty-Third Ordinary General Assembly held on 28/05/2023, appointing them as auditors of the company. Their role is to examine, review, and audit the financial statements for the second, third, and annual quarters of the fiscal year 2023, and the first quarter of the fiscal year 2024.

Internal Audit:

M/S. Baker Tilly MKM & Co. Certified Public Accountants were responsible for conducting internal audit tasks and evaluating the internal control system of the Company during the fiscal year 2023.

Zakat advisor:

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

Company's general position during the fiscal year 2023 G:

The Company encountered weaknesses in the performance of its subsidiaries throughout fiscal year 2023, which adversely impacted the Company's overall results. Subsidiaries, particularly the Halwani Brothers, contributed to losses totaling SAR 132.6 million. Halwani Brothers alone accounted for losses amounting to SAR 54.4 million, while the Al Rabie Saudi Food Company reflected losses of SAR 17.2 million. Additionally, the newly established subsidiary, Fast Delivery Company for Logistics Services, incurred losses of SAR 20 million due to its startup nature and ongoing establishment process. On a positive note, the Company continued to generate profits from its investments, albeit reduced from the previous year. Investment profits amounted to SAR 32 million during fiscal year 2023, compared to SAR 82 million in the preceding year. This decline was attributed to profits gained from the Jadwa Luberef Mutual Fund investment and its subsequent exit in 2022. Furthermore, the Company faced challenges related to expected credit losses and increased financing expenses, both impacting on its financial performance. The Company remains committed to enhancing its performance and that of its subsidiaries by adhering to its strategic framework. Key strategies include diversifying investments and improving overall operational efficiency.

On the other hand, the Company is working on rebalancing its investment portfolio by proportionally allocating investments across fundamental sectors. This strategic move is expected to have positive impact on the investment portfolio. It is worth mentioning that this endeavor faces a set of challenges, primarily focused on divesting from non-performing investments, and entering into new viable investments within the next two years, with the ultimate goal of achieving profitability.

Furthermore, the Company is working on improving its cash flow through corrective measures and effectively rebalancing its investment portfolio. As a result, it aims to enter viable investment opportunities within the main strategic sectors, which primarily include the consumer basic materials sector, including the food industry, the healthcare services, the educational services, and the logistics services sectors, in which the Company has recently established a delivery company specialized in this activity. However, it will require some time for the Company to rebalance its investment portfolio in these sectors, following a clear business plan that it has been implementing since the previous year.

In this context, the Company is committed to maximizing the interests of its shareholders and stakeholders, including employees, creditors, and suppliers. It also aims to empower its capabilities to play an active role through its social responsibility.

Finally, this Annual Report includes the Company's strategy, future directions, and details about its operations and performance during the fiscal year 2023.

Company's vision, mission and business strategy:

Given the dynamic nature of the business environment, the Company needs to periodically review its strategy to preserve its capabilities, enhance performance efficiency, and explore new investment opportunities for growth and profitability. Accordingly, the Company has developed its strategic plan to effectively deal with existing challenges and capitalize on potential opportunities. This plays a vital role in maintaining continuity, adapting to the changing business environment, and breaking out of stagnation.

Strategic direction:

The Company operates as a long-term and sustainable investment holding company. To achieve this, it adopts an active supervision approach in managing its investments through strategic support and financial oversight.

The Company believes in the importance of the companies it invests in having a high degree of independence in managing their operations as separate entities with competent and efficient executive managements. Therefore, the Company strategically plays its role by activating and developing a governance ecosystem and implementing best practices within this framework. The Company is also committed to identifying viable investment opportunities and achieving an effective investment balance. This approach ensures continuous growth of the investment portfolio, aligning with the best interests of its shareholders.

Additionally, the Company understands the shareholders' need to grow their capital while achieving regular returns with a balanced level of risk. Therefore, it seeks to preserve its value in the face of economic crises whenever possible. In doing so, it upholds its mission to contribute to the development and prosperity of society through responsible investment, social development, compliance with ethical aspects, and facilitating participation in investment opportunities through quality partnerships and the securities market. Thus, we have formulated our mission, vision, and values to reflect our Company's established direction since its inception.



Mission: "We strive to develop sustainable investments and facilitate participation in order to rebuild the Earth and foster thriving communities"



Vision: "To be pioneers in launching and leading valuable investment opportunities"



Values:



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



We pursue the highest level of responsibility to fulfill the aspirations of our partners and stakeholders with the best practices of quality



We adhere to laws and legislations, and uphold the highest standards of governance and transparency



We passionately learn, draw inspiration from experiences, stimulate innovation, and continuously evolve towards a promising future



We overcome challenges, aspire for growth, and transform obstacles into achievements

Balanced performance axes:

To achieve balanced performance, the company applies its strategy through four perspectives :

- Maximizing shareholder value by achieving sustainable and profitable growth while controlling operating costs
- Building a distinctive reputation/brand that earns the trust of investors through sustainable returns and positive impact on society. This includes developing a balanced and continuously improving investment portfolio enjoying leadership in the investment market/realms.
- Providing investments with the necessary independence to efficiently manage their operations, while implementing best practices in governance, risk management, and encouraging strategic collaboration among investments. This is accompanied by creating an organized work environment committed to procedures, laws, and policies characterized by transparency, flexibility, and technological support to achieve efficiency and effectiveness.
- Attracting talented individuals to form a professional, empowered, and vibrant workforce that aligns with the Company's identity within an attractive work environment and an organizational culture based on values.

Strategic initiatives:

The Company is working on accomplishing a number of strategic initiatives, following a precise project management system to implement the established strategy and regularly measure performance efficiency. These initiatives are monitored and their progress is tracked on a monthly basis. By the end of 2023, the Company completed four initiatives, bringing the total number of completed initiatives since the launch of the strategy to 28. Some of the key initiatives include :



Information
Archiving Initiative



Company Employee
Development
Initiative



Social Responsibility
Initiative



Investor Relations
Initiative

Business strategy:

The Company works towards achieving its mission through a strategy of diversifying its investments across various sectors and industries, with a focus on defense sectors that are associated with consumer demand growth and have low risk. The key sectors identified for this strategy are :



Logistics Services sector



Education sector



Healthcare sector



Consumer Goods Sector

The Company has also made some updates and modifications to its investment strategy in order to enhance and improve investment activities. It has established a general framework for the entry process into investments based on specific criteria, aiming to make it more realistic and dynamic. This framework takes into consideration the current cash position of the company and the performance of its subsidiary and peer companies. This approach will enable the Company to be more flexible in responding to market changes and identifying the best opportunities across different sectors.

In this respect, the Company is working on rebalancing its investment portfolio and transitioning towards new investments by evaluating its existing investments and conducting a comprehensive review of the dynamics of the local and regional economic environment. The objective is to identify and capitalize on potential opportunities in promising sectors and emerging investment prospects as well as distribute its investment portfolio in a way that achieves growth in its returns, aligning with maximizing the Company's value and the interests of its shareholders.

This strategy aims to achieve a balanced risk-reward profile that leads to the growth of investment returns for its shareholders given the competitive advantages that the Company's enjoys, which enable it to enhance its operations and mitigate potential risks it may encounter. Some of these key advantages include:

Distribution of investments in economically promising strategic sectors.

Capability to enhance and improve investment performance.

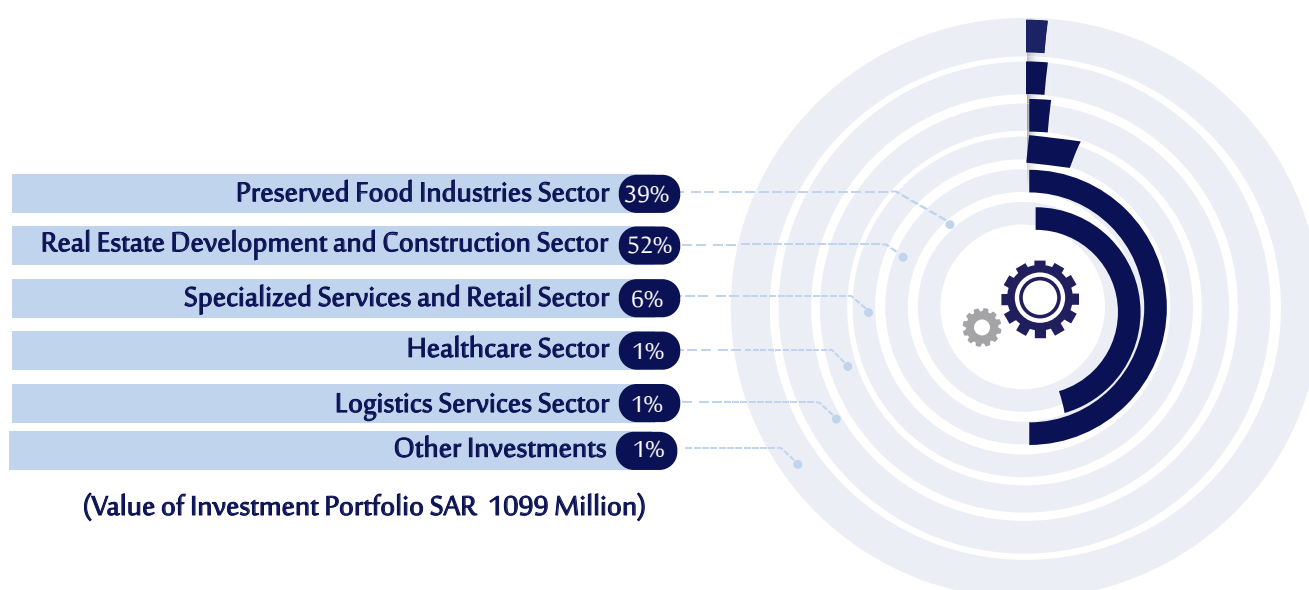
Agility in rotating investments and entering new viable investment opportunities.

This strategy, along with its competitive advantages and the accumulated expertise of its board of directors and executive management, enhances the Company's future opportunities and capabilities to achieve a qualitative and quantitative leap in its performance, revenue growth, and cash flows through the performance of its subsidiary and peer companies, as well as the revenue generated from other investments through dividend distributions and capital gains realized from the sale of any of its available-for-sale investments. Additionally, periodic evaluations are conducted to assess the fair values of its tradable and non-tradable available-for-sale investments and investment funds.

Company's Core Operations and Business Sectors:**Core Operations:**

The Company's operations primarily revolve around managing a diversified investment portfolio in established sectors. This involves enhancing investment performance, increasing the value of the investment portfolio, and capitalizing on growth opportunities. The Company also engages in the rotation of certain investments and rebalancing the investment portfolio through sales to realize capital gains. These gains contribute to the Company's financial results and generate cash flows that enhance its position and enable it to pursue viable alternative investments. This approach aligns with the Company's investment objectives in vital emerging sectors. When necessary, the Company may resort to borrowing to finance equity and strengthen its capital structure in order to seize profitable investment opportunities.

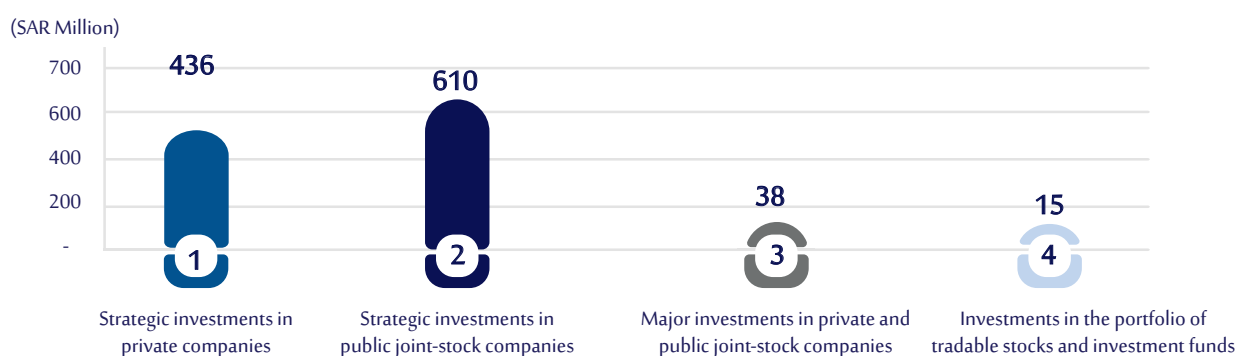
The figure below illustrates the relative distribution of existing investments by sector as at the end of the fiscal year 2023



The Company classifies its ownership of investments in the existing sectors into four main investment categories based on the nature and type of each investment, as follows:

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

The figure below illustrates the distribution of investments according to the classification of investment categories as at the end of the fiscal year 2023:



Business sectors :

During the year 2023, the Company operates through two main business sectors: namely, the investment sector and the industrial sector.



Investment sector: The Company operates in the investment sector through a group of special purpose companies that it fully owns. It also has direct investments in private and public joint-stock companies that operate in the existing sectors of the Company, where its ownership stake is less than 50% of their capital. Additionally, the Company makes investments in various financial instruments, including tradable stocks of companies listed in the Saudi market and investment funds. However, its industrial investments in private and public joint-stock companies, where it has controlling ownership and consolidates their financial statements, fall under the industrial sector



Industrial sector: The Company operates in the industrial sector through its investments in a group of private and public joint-stock companies in which it holds a stake of 50% or more and consolidates their financial statements with the company's according to the internationally accepted standards in the Kingdom of Saudi Arabia. Its activities in this sector are primarily focused on the preserved food industry



The table below demonstrates the distribution of the Company's activities across business sectors that constitute the core operations of the Company, and indicates the impact of each sector on the Company's business volume and its contribution to the financial results during the fiscal year 2023, compared to 2022:

Year	Statement (in million riyals)	Investment sector	Industrial sector	Total
2023	Total assets	913	1631	2544
	Total liabilities and non-controlling equity	246	1215	1461
	Net sales and investment revenues	36	1613	1649
	Gross profit	18	398	416
	Amortization	4	81	85
	Property, machinery, equipment, and projects in progress	3	662	665
	Capital expenditures	1	26	27
2022	Total assets	1074	1865	2939
	Total liabilities and non-controlling equity	356	1345	1701
	Net sales and investment revenues	82	1758	1840
	Gross profit	82	497	579
	Amortization	2	101	103
	Property, machinery, equipment, and projects in progress	3	803	806
	Capital expenditures	1	46	47

The Company's assets, as well as its main markets for business activities and its subsidiaries, are primarily concentrated in the Kingdom of Saudi Arabia, with the exception of the operations of Halwani Bros Egypt, which is primarily focused in the Arab Republic of Egypt. Halwani Bros Egypt is a subsidiary of Halwani Bros Company, which in turn is owned entirely by Aseer Arabian Industrial Investment Ltd, a company fully owned by the Company .

Geographic Analysis of Total Consolidated Revenues:

The total consolidated revenues of the Company consist of the total sales revenues in the industrial sector and the investment sector revenues, which constitute the Company's core operations .

Total sales revenues during the year amounted to SAR 1,617 million, marking a decrease of 8% compared to the previous year's revenue of SAR 1,758 million. In the investment sector, the Company achieved profits of SAR 32 million, compared to profits of SAR 82 million in the previous year. This decline was primarily due to a decrease in fair value gains on debt instruments recorded in the income statement during the year. Additionally, the Company recorded profits from the sale of investment properties amounting to SAR 15.8 million, compared to SAR 6 million in the previous year. Dividend distributions from investments and financial assets also decreased, amounting to SAR 6.3 million during the year, compared to distributions of SAR 17 million in the previous year. It's worth noting that there were no losses from investments in peer company, whereas a loss of SAR 11 million was recorded in the previous year.

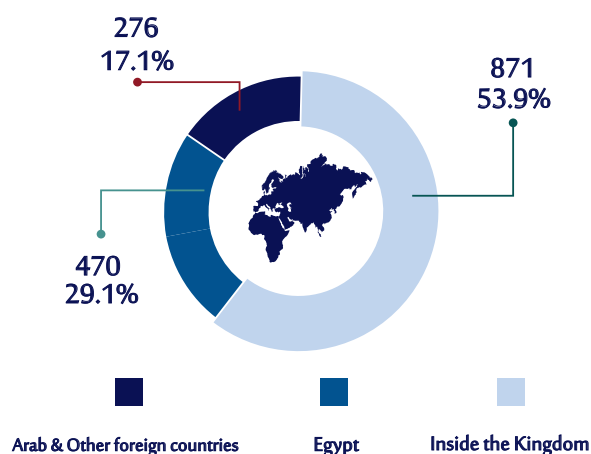
The geographic distribution of total sales revenues during the current year of 2023 is as follows: Domestic revenues amounted to SAR 871 million, accounting for 54% of the total sales revenues. On the other hand, revenues from outside the Kingdom amounted to SAR 746 million, representing 46% of the total sales revenues .

The revenues from outside the Kingdom primarily consist of the revenues generated by Halwani Bros (Egypt), a subsidiary of Halwani Bros Company. Additionally, it includes revenues from export operations conducted by the subsidiary companies in the industrial sector to the Gulf Cooperation Council (GCC) countries, other Arab countries, and a variety of other nations .

The following table shows the geographic distribution of the Company's revenues from within and outside the Kingdom:

Year	Total revenue	Geographical analysis of total consolidated revenues (in million riyals)		
2023	1617	Inside the Kingdom 871	Egypt 470	Arab & Other foreign countries 276

The following figure shows the geographic distribution of the Company's revenues from within and outside the Kingdom:



Future Plans, Decisions, and Direction:

•Important Decisions in 2023

1

The Land Owned by the Company in the North of Riyadh

In continuation of the announcements made during the years 2019, 2020, 2021, and 2022 regarding the land owned by the Company in north Riyadh, the Court of Appeal issued its judgment on Sunday, 23/09/1443 AH, corresponding to 24/04/2022 AD, upholding the ruling issued by the General Court's Major Claims Department in Riyadh to invalidate the land sale contract in north Riyadh between the Company (plaintiff) and the seller (defendant), dated 01/12/1429 AH. The court also ordered the seller (defendant) to pay an amount of SAR 202 million to the Company. The Company subsequently filed a request for a writ of execution with the Execution Court on 16/05/2022 AD to enforce the judgment against the defendant. On 10/08/2022 AD, an amount of only SAR 2.5 million was received, while the Company is continuing its pursuit in this matter.

The Company also announced that a primary judgment was issued in its favor on 16/8/1444 AH, corresponding to 08/03/2023 AD, obligating the commission broker to deliver the commission amount of SAR 5,239,441 to the Company. The objection period for the issued judgment is thirty days, as of the day following the receipt of a copy of the judgment document, in accordance with the Law of Procedure before Sharia Courts. Furthermore, the Company announced on 18/06/2023 AD that the Court of Appeals issued its judgment in favor of the company in its first session held on Sunday, 29/11/1444 AH, corresponding to 18/06/2023 AD, endorsing the primary judgment and obligating the commission broker to deliver the commission amount of SAR 5,239,441 to the Company. It worth noting that the Company will announce any significant developments regarding this matter.

2

Appointment of the CEO:

On April 13, 2023, the Company announced a resolution made by its Board of Directors regarding the restructuring of the Company's organizational structure, specifically separating the position of Managing Director from the position of Chief Executive Officer (CEO). In this respect, the Board of Directors resolved on 28/05/2023 to appoint Mr. Jameel Abdullah Al Molhem as the CEO of the Company. He assumed his duties on May 28, 2023; however, Mr. Abdullah Ibrahim Al-Huwish continued his role as the Managing Director of the Company.

Strategic plans and directions:

The Company's investments are primarily focused on core strategic sectors, in addition to some other diversified investments. These investments are distributed among strategic and major investments through private companies, public joint-stock companies, as well as investments in portfolios and investment funds. The Company intends to implement its strategic directions and future investment plans as follows:

Strategic Investments in Private Companies



These investments consist of limited liability and closed joint-stock companies operating in the Company's strategic sectors. The Company expects to generate returns from the profits of these investments and their dividend distributions, in addition to capital gains upon partially offering its stake in these investments through an initial public offering, whenever feasible. The Company may also consider selling some investments whenever favorable opportunities arise and utilizing the resulting cash flows to finance other investments, thereby strengthening its equity base and achieving growth in its business performance.

Strategic Investments in Public Joint-stock Companies



These investments consist of public joint-stock companies operating in the Company's strategic sectors. The Company expects to generate consistent returns from these investments. Whenever there are favorable opportunities that serve the interests of the Company and its shareholders, the Company may consider selling any of these investments or a portion thereof to achieve capital gains and corresponding cash flows. The proceeds from such sales would be utilized to finance the acquisition of other viable investments that align with the Company's strategy and contribute positively to the growth of its business results and financial position.

Major Investments in Private and Public Joint-stock Companies



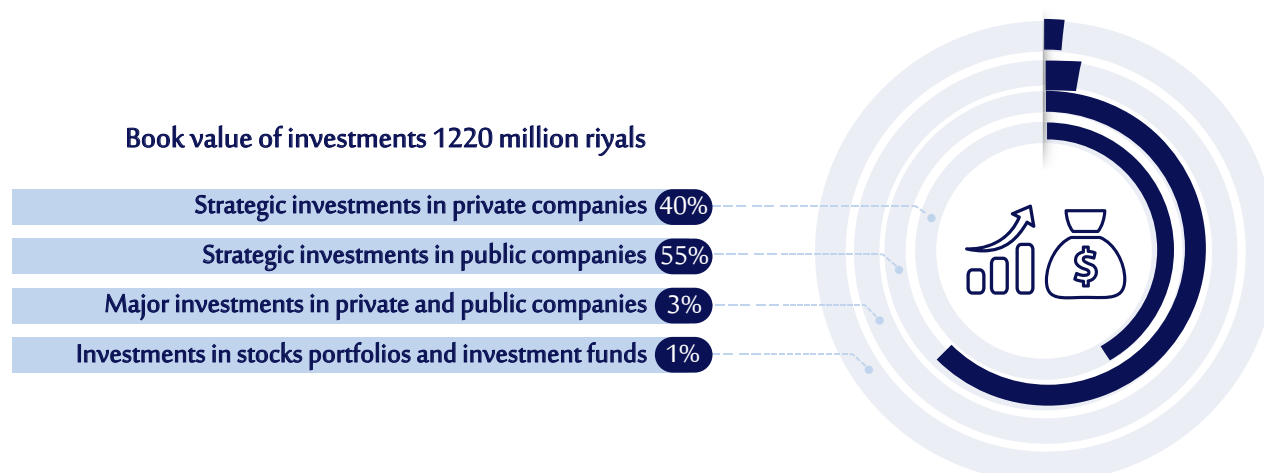
These investments are comprised of companies operating in diverse sectors, aiming to grow their businesses either through expanding into new markets or through mergers and acquisitions when such opportunities arise to enhance their market share and market value. The Company may consider selling any of its investments in this category when appropriate or after developing them and increasing their fair value, if feasible. This would provide cash flows that contribute to strengthening equity ownership, distributing dividends to shareholders, or funding new investment opportunities.

Investments in stocks portfolios and investment funds



These investments include investments in investment funds and portfolio consisting of publicly traded stocks in the Saudi Arabian market. These investments have a specialized nature and are managed by licensed and independent entities. The Company expects to generate returns from dividend distributions, in addition to capital gains when it deems it appropriate to exit by selling these investments or a portion thereof, in order to generate cash flows for financing the development of existing investments, entering new investment opportunities, or distributing cash dividends to shareholders.

The figure below illustrates the relative distribution of the Company's investments by investment categories:



Human Resources Development Plans:

The Company believes that the implementation of its strategy and business plans relies on the efficiency and effectiveness of its human resources, which play a vital role in developing its operations and enhancing the performance of its investments. Within a strategy of continuous development of its operations, the Company works to enhance the leadership, managerial, and technical skills and capabilities of its employees at all functional levels within the Company and its subsidiaries. This is achieved through the implementation of internal and external training plans and programs, along with on-the-job training, which is considered a top priority. Additionally, the Company aims to attract specialized talents based on its future needs. The gradual replacement plans for Saudi national employees hold special importance, as they have resulted in maintaining a good level of Saudi talent. The Company has achieved a high Saudization rate in its workforce. Moreover, the Company recognizes the importance of having motivational plans and programs for the benefit of its employees, aligning with its future developmental orientations.

Continuous development plans and programs:

The Company operates with the aim of implementing its strategies and plans to fulfill its core mission as an investment company. It works on the continuous development and improvement of its operations to align with the nature and evolution of its business. This is done in collaboration with specialized consultants who assist in the continuous development of its organizational and functional structure, internal regulations, and the updating of information technology programs for administrative, financial, and internal control systems. Additionally, the Company conducts periodic evaluations of the performance of its investments in strategic sectors. It is expected that these efforts will have a positive impact on the overall performance of the Company and its future results.



Impact of Future Investment Plans and Directions on Business Results:

The Company believes that the implementation of its strategic plans and future directions, as well as the enhancement of the performance of its existing investments or the acquisition of new meaningful investments, and any operations involving the merger of some of the companies it invests in, along with efforts to restructure and develop certain investments or divest underperforming investments, will contribute to the development of its revenue sources. This will be achieved through expected profits from its subsidiaries, dividend distributions, and capital gains from its investments, ultimately providing the necessary cash flows. Furthermore, the continuous development plans and human resources development programs will enable the company to achieve growth in its business results and strengthen its financial position. This will have a positive impact and return on its shareholders, stakeholders, and society as a whole.

Company Risk Factors and Potential Risks:

The Company, like any economic entity, faces a range of risks, including operational and financial risks related to its operations. It also faces risks associated with the market and the sectors in which it invests. Additionally, the Company is influenced by macroeconomic factors that impact the growth rates of the strategic sectors in which it invests. There are risks of a decline in fair value of its investments or a decrease in the value of intangible assets that contribute to the company's reputation, as well as other risks that may not be known to the company, resulting from the repercussions of financial and economic crises, political and social fluctuations, and changes in applicable legislations, laws, and regulations. The key risks can be summarized as follows:



Risks affecting the revenues of the industrial sector, especially the preserved food industry, which can be attributed to competition from companies operating in the same sector, fluctuations in the availability and prices of raw materials, and risks associated with foreign currency exchange rates against the Saudi Arabian Riyal.



Liquidity risks which refer to the Company's inability to meet its financial obligations when they become due. This includes the risk of not being able to fulfill the terms of credit facility agreements. There is also a risk of not obtaining sufficient or additional financing through credit facilities in a timely manner and on acceptable terms to meet any capital commitments, guarantees, and potential obligations.



Commission price risks refer to the risks associated with the fluctuation in the value of financial instruments due to commission volatility. This can potentially impact the future profitability or fair value of financial instruments, including its assets and liabilities, as well as its short-term deposits and long-term financing obligations (Murabaha).



Capital risk management which involves the Company's efforts to manage its capital to ensure its continuity and determine its capital structure. It also focuses on the Company's ability to obtain financing to meet any future obligations or venture into new investment opportunities.



Risks associated with unexpected disruptions in financial, administrative, and operational technological systems.



Risks related to fluctuations in pricing markets for private and public equity and its impact on the Company's financial results, financial position, and ability to generate cash flows.



Customer credit risks associated with their inability to fulfill their obligations towards the Company and its subsidiaries, which can have a negative impact on cash flows.



Risks related to political and economic conditions, as well as growth rates of strategic sectors, which can impact the performance of the Company's investments.



Risks associated with legislation, laws, and regulations pertaining to the Company's operations, activities, and obligations.

The Company takes several measures and precautions to address and manage these risks. It aims to avoid high risks whenever possible, reduce their impact, or transfer them to other parties such as insurance companies. This is achieved by implementing necessary measures and precautions to ensure smooth operations, continuously monitoring risks that affect the company's operations and liquidity needs, and adjusting its capital structure to enhance its ability to obtain financing for current and future obligations. The Company also focuses on developing internal systems, regulations, and enhancing internal control systems. It follows a balanced risk policy by diversifying its investments and sectors of operation. It regularly evaluates its investments in private and public equity, assesses associated risks, and takes appropriate actions. The Company adopts a selective approach to new investment opportunities and may divest certain investments to redirect funds into better investment opportunities when feasible. Additionally, the Company works on mitigating risks by improving the performance of its investments based on their type and nature, aiming to enhance returns by increasing the fair value of investments and strengthening ownership rights. It strives to increase productivity to improve profitability, cash flows, meet obligations, distribute dividends to shareholders, and achieve higher investment returns.

Company's Consolidated Financial Position:

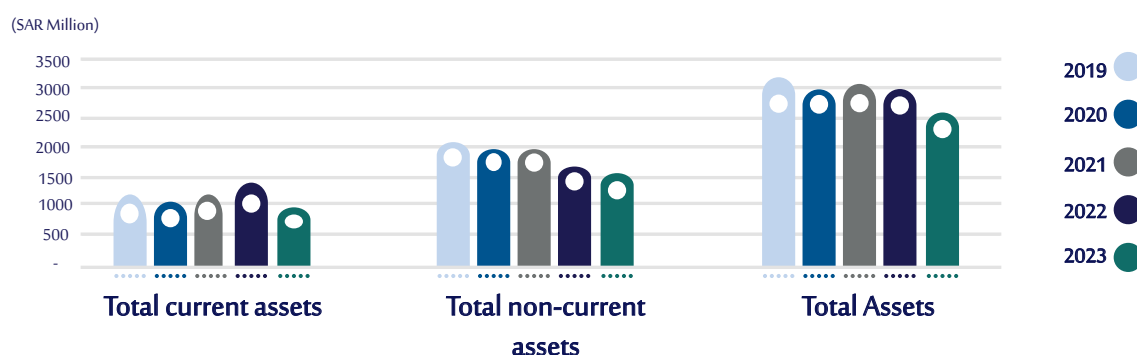
Assets:

Total assets at the end of the year decreased by 13.4% compared to the previous year, reaching SAR 2,544 million, compared to SAR 2,939 million in the previous year. This decline is primarily due to decreases in accounts receivable, inventory, held-for-sale assets, advances and credit balances, fair value financial investments through the income statement, cash and cash equivalents, right-of-use assets, and property, plant, and equipment.

The table below presents a summary of the asset items over five financial years:

Statement (in million riyals)	2023	2022	2021	2020	2019
Current assets					
Cash and cash equivalents	103	294	149	178	134
Amortized cost investments	77	-	-	-	-
Held-for-trading investments	13	28	-	-	-
Advances, accounts receivable, and related parties	54	69	258	239	270
Held-for-sale assets	3	5	10	-	-
Trade receivables (Net)	371	466	232	183	255
Inventory (Net)	369	425	402	367	382
Total current assets	990	1287	1051	967	1041
Property, machinery, equipment, and projects in progress	665	806	871	946	999
Real-estate investments	45	5	7	7	7
Intangible assets	160	160	160	159	161
Right-of-use assets	34	40	51	48	56
Investments and financial assets	649	640	907	841	841
Deferred tax assets	1	-	-	-	-
Total non-current assets	1554	1652	1996	2001	2064
Total assets	2544	2939	3047	2968	3105

The figure below shows a comparison of current assets, non-current assets, and total assets over five financial years:



Liabilities:

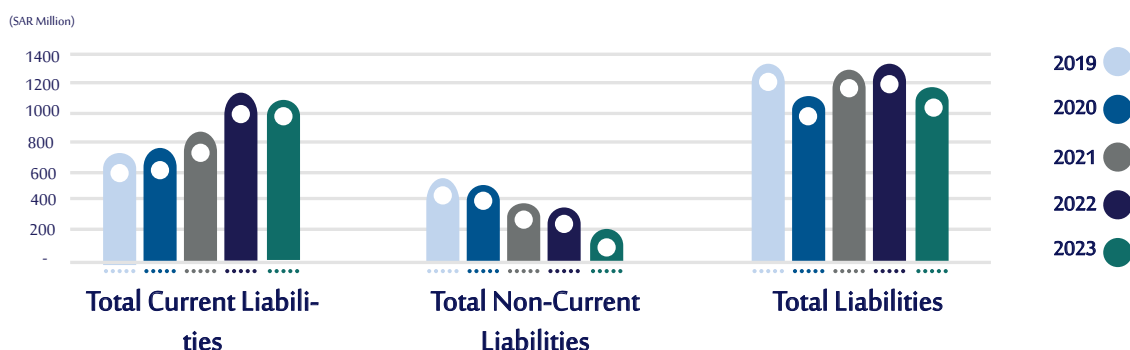
The total liabilities at the end of the year decreased by 11.7% compared to the previous year, reaching SAR 1,193 million compared to SAR 1,352 million in the previous year. This decrease is attributed to a decrease in current liabilities and other current liabilities due to related parties, Islamic financing contracts and long-term loans, end-of-service bonuses, derivative financial instruments, and deferred tax liabilities.

The table below summarizes liabilities over five financial years:

Liabilities in Financial Position:

Statement (in million riyals)	2023	2022	2021	2020	2019
Current liabilities					
Accounts payable, receivables, and other liabilities	326	356	301	306	264
Short-term Murabaha financing and current installments	624	684	449	343	329
Current lease liabilities	18	13	18	13	13
Accrued dividends	12	12	13	14	14
Zakat and tax provisions	68	65	68	65	57
Total current liabilities	1048	1121	849	741	677
Non-current liabilities					
Murabaha and long-term loans	39	84	229	260	423
Current lease liabilities	24	34	36	32	38
Deferred tax	-	-	-	-	1
Financial derivatives	-	18	-	-	-
End-of-service benefit provision	82	94	112	120	119
Total non-current liabilities	145	230	377	412	581
Total liabilities	1193	1352	1226	1153	1258

The figure below shows a comparison of current liabilities, non-current liabilities and total liabilities over five financial years



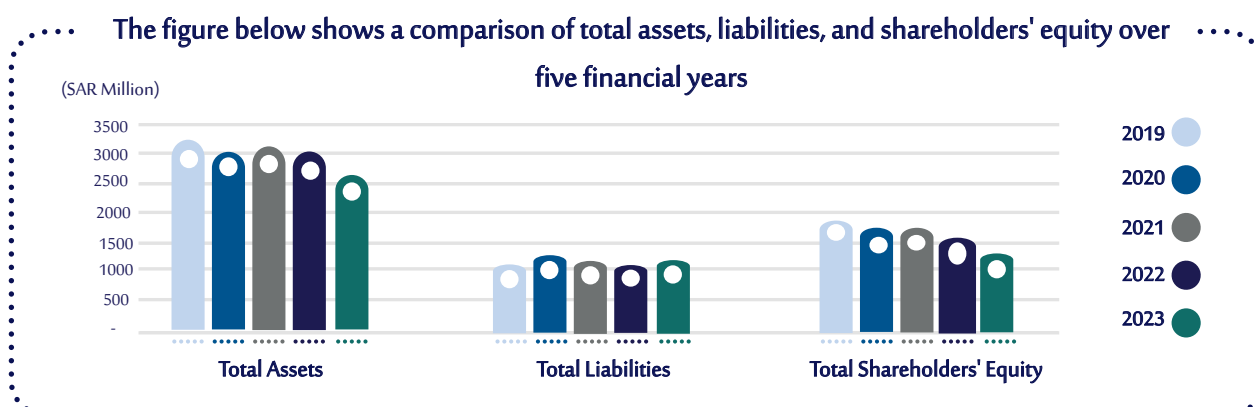
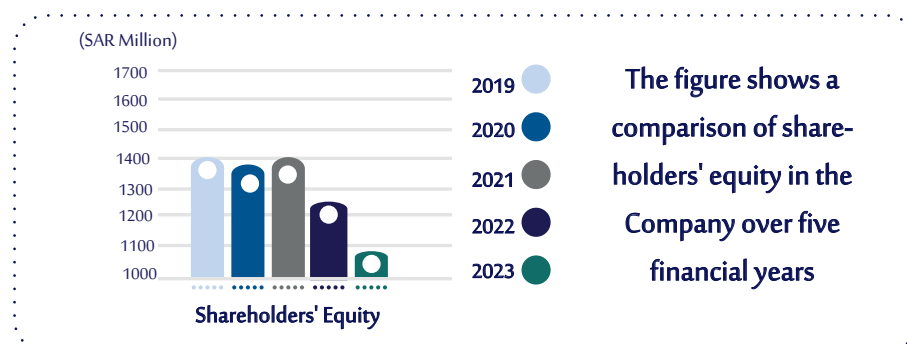
Shareholders' Equity:

Shareholders' equity decreased by 12.41% at the end of the year compared to the previous year, amounting to SAR 1,083 million compared to SAR 1,237 million in the previous year. This decrease can be primarily attributed to the following factors:

The table below provides a summary of the owner's equity and shareholders' equity for five financial years:

Items of Owner's Equity and Shareholders' Equity in the Financial Statement:

Statement (in million riyals)	2023	2022	2021	2020	2019
Equity					
Shareholders' Equity					
Capital	1264	1264	1264	1264	1264
Legal Reserve	219	219	219	312	312
Retained Earnings/(Retained Losses)	(160)	(27)	(40)	(64)	(18)
Net Unrealized Gains from Fair Value Revaluation of Equity Instruments	(104)	(98)	39	(51)	(74)
Foreign Currency Translation Adjustment	(135)	(120)	(80)	(80)	(82)
Shareholders' Equity	1084	1237	1402	1381	1402
Non-controlling Interests (Minority Interests)	268	350	420	434	445
Total Shareholders' Equity	1352	1587	1822	1815	1847



Consolidated Business Results:

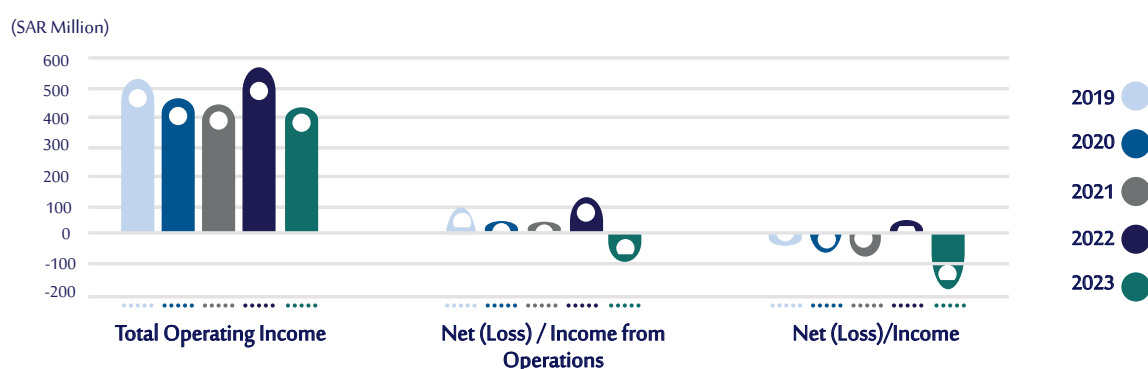
The company incurred a net loss of SAR 132.6 million during the year 2023, compared to a net profit of SAR 10 million in the previous year. This was primarily due to a decrease in total operating income by 28%, amounting to SAR 416 million compared to SAR 579 million in the previous year, reflecting a decrease of 163 million Saudi Riyals. The decrease was mainly driven by a decline in total sales income, which amounted to 384 million Saudi Riyals compared to SAR 497 million in the previous year, as well as a decrease in total investment income, which amounted to SAR 32 million compared to SAR 82 million in the previous year. Additionally, selling and distribution expenses, credit loss provision expenses, and other operating losses were higher compared to the previous year, while other operating profits decreased. Furthermore, financing costs, as well as zakat and income tax expenses, increased during the year.

The table below presents a summary of income statement items over five financial years:

Income Statement Items:

Statement (in million riyals)	2023	2022	2021	2020	2019
Net Sales	1617	1758	1711	1570	1884
Total Sales Income	384	497	486	451	547
Total Income/(Loss) from Investments	32	82	(47)	(1)	(33)
Total Operating Income	416	579	439	450	514
Selling and Distribution Expenses	(293)	(280)	(256)	(241)	(260)
General and Administrative Expenses	(178)	(184)	(169)	(184)	(181)
Credit Loss Provision	(38)	(1)	-	-	-
Other operating income/(expenses)	(2)	10	8	3	1
Total Expenses	(512)	(455)	(417)	(422)	(440)
Net (Loss) / Income from Operations	(95)	123	22	28	74
Net (Expenses) / Other Revenues	1	(2)	2	(1)	39
(Loss) / Gains from Fair Value Adjustments of Derivatives through Profit or Loss	1	(18)	-	-	-
Finance Costs	(49)	(35)	(20)	(27)	(38)
Provision for Potential Claims Expenses	(15)	(21)	-	-	-
(Loss) / Income from Continuing Operations Before Zakat, Tax, and Non-controlling Interests	(157)	47	5	-	75
Zakat and Income Tax	(33)	(35)	(45)	(45)	(57)
Non-Controlling Interest	(57)	2	(22)	(4)	(41)
Net (Loss)/Income	(189)	12	(63)	(49)	(23)
(Loss) / Earnings per Share from Net (Loss)/Income	(1.05)	0.08	(0.50)	(0.38)	(0.18)

The figure below presents a comparison of the financial results for five fiscal years



Subsidiaries:

The Company conducts its activities and operations either directly or through its subsidiaries, as well as wholly-owned companies established by the Company for specific investment purposes, based on the nature of the business sector and the classification of each investment. The table below shows the subsidiaries during 2023 in which the Company owns a stake of 30% or more of their capital.

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

Company name, type and capital	Ownership%	Country of incorporation	The main country from which it operates	The main activity
3 Al-Mawajid International Real Estate Development Co. Ltd (One Person Limited Liability Company) Capital (Saudi riyals 500,000)	Wholly-owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is the purchase of lands, investment therein by way of selling or purchasing buildings general contracting and activities affiliated with them
4 Logistics express delivery company (One person limited liability company) capital (SAR 2,000,000)	Wholly-owned 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is to provide logistical services (land transport of goods and light transport) and to provide delivery services via electronic platforms
5 Alissa Industries Co (Closed joint-stock company) Capital (Saudi riyals 50,000,000)	owned a percentage of 38%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture, import and distribution of electrical and electronic household appliances air conditioners, refrigerators) freezers, etc)

Each Subsidiary Issued Shares:

The issued shares of (both listed and unlisted) subsidiaries in which the Company owns 30% or more, as on the end of the year 2023, include Halwani Bros and its subsidiary Halwani Bros (Egypt), registered in the Arab Republic of Egypt, and Alessa Industries Co.

Halawani Brothers Company:



It is a Saudi joint-stock company listed on the Saudi Stock Exchange under the Code (6001) within the food production sector. The total number of its issued ordinary shares is 35,357,145 shares as on the end of 2023. The nominal value of each share is SAR 10 and it is fully paid. The Company's capital amounts to SAR 353,571,450.

Halwani Brothers Company is a subsidiary of Aseer Arabian Industrial Investment Company Limited. Aseer holds a 55.51% ownership stake in Halwani Bros, which corresponds to 19,626,750 shares out of the total number of its issued shares. No changes have occurred in the ownership percentage of Aseer Arabian Industrial Investment Company Limited in Halwani Brothers Company since the end of the fiscal year 2022.

Alissa Industries Company:



It is a Saudi (non-listed) closed joint-stock company. The total number of its issued ordinary shares is 5 million shares. The nominal value of each share is SAR 10, fully paid. The Company's capital amounts to SAR 50 million. By the end of the year 2023, the ownership percentage of the Company in Alessa is 38% of its capital, corresponding to 1,900,000 shares out of the total issued shares.

During the year 2023, Alessa reduced its capital to eliminate its accumulated losses. The capital was reduced from SAR 500 million to SAR 50 million by canceling 50 million shares, equivalent to SAR 500 million. As a result, the company's capital at the end of the current year 2023 is SAR 50 million.

The company and its subsidiaries did not issue any debt instruments until the end of 2023.

Loans and Total Indebtedness

Company Loans

The Company has an Islamic Murabaha financing agreement with Samba Financial Group for an amount of SAR 631 million to fund the acquisition of a 38% stake in Alessa Industries and increase its capital during the year 2013. The Company provided a promissory note as a guarantee for this loan, in addition to signing the necessary banking documents. The loan is repaid in installments over a period of seven years with early repayment flexibility. In 2020, the Company signed a rescheduling agreement to repay the Murabaha financing in unequal installments over a five-year period. An amount of SAR 581 million was repaid on 31/12/2022, including an accelerated repayment of SAR 50 riyals. Additionally, an amount of SAR 50 million was repaid in January 2023, resulting in the complete repayment of the loan amount.

Loan donor	Amount Loan principal	Repayment period	Paid until 12/31/2022G	Paid during 2023G	Remaining amount of the loan
Loan from the Saudi National Bank (Formerly Samba Financial Group)	631 million Saudi riyals	5 years	581 million Saudi riyals	50 million Saudi riyals	-

In 2022, the Company entered into a short-term Islamic financing Murabaha agreement (Tawarruq) with a local bank in the Kingdom of Saudi Arabia, totaling SAR 200 million. The finance is to be repaid over a period of 12 months, and the Company will bear financing charges based on the Saudi Arabian Interbank Offered Rate (SAIBOR), plus an added fixed commission rate. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 112 million.

In 2022, the Company concluded a short-term Islamic financing Murabaha agreement (Tawarruq) with a local bank in the Kingdom of Saudi Arabia, totaling SAR 200 million. The finance is to be repaid over a period of 12 months, and the Company will bear financing charges based on the Saudi Arabian Interbank Offered Rate (SAIBOR), plus an added fixed commission rate. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 40 million (compared to SAR 70 million in 2022). These contracts are secured by pledging shares as collateral.

Subsidiaries Loans:

The subsidiaries that consolidate their financial statements with the Company obtained loans and facilities as follows:

Halwani Brothers Company:



Loan donor	Principal value of the loan	Paid until 12/31/2022G	Repaid during 2023G	Remainder of loan amount
Al Rajhi Bank loan	50 million Saudi riyals	29.1 million Saudi riyals	16.7 million Saudi riyals	4.2 million Saudi riyals

In 2021, Halwani concluded a financing agreement with Al Rajhi Bank for an amount of SAR 65 million. The company withdrew 50 million from the financing balance according to the terms of the agreement. The loan is repayable in quarterly installments, with the final installment due on March 31, 2024. The financing incurs financing charges, and the loan is secured by promissory notes issued in favor of the bank.

- Halwani also has short-term Islamic financing contracts (Tawarruq) with local banks in the Kingdom, repayable over a period of three to six months. The company bears financing charges based on the Saudi Arabian Interbank Offered Rate (SAIBOR), plus an added fixed commission rate. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 326.8 million (compared to SAR 270.4 million on December 31, 2022). These contracts are secured by promissory notes.

- Halwani Bros (Egypt), a subsidiary of Halwani Bros Company, has Islamic murabaha contracts with banks in the Arab Republic of Egypt for the purchase of goods used in production. The company bears fixed financing charges. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 1 million (compared to SAR 15.5 million on December 31, 2022).

- The subsidiary concluded short-term murabaha contracts with local banks in Egypt to finance its operations. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 25 million (compared to SAR 34 million on December 31, 2022).

Al Rabie Saudi Food Company:

Loan donor	Principal value of the loan	Paid until 31/12/2022G	Repaid during 2023G	Remainder of loan amount
Saudi National Bank loan (Formerly Samba Financial Group)	138.9 million Saudi riyals	33.3 million Saudi riyals	33.3 million Saudi riyals	72.3 million Saudi riyals

• In 2021, Al Rabie signed a financial facilities agreement with Saudi National Bank for an amount of SAR 150 million to fund the capital expenditures for the upgrade and replacement of production lines in its factories located in Riyadh. The repayment is structured in installments over a period of five years, with a grace period of six months for each withdrawal. Until 2023, an amount of SAR 138.9 million has been withdrawn, and the outstanding balance for these contracts amounted to SAR 72.3 million (compared to SAR 105.6 million on December 31, 2022). In addition to signing the necessary banking documents, a promissory note was provided as collateral in exchange for obtaining the loan.

• The company has also entered into short-term Islamic murabaha facilities contracts (Tawarruq) with local banks in the Kingdom. These facilities are repayable within a period of less than 12 months. The company bears financing charges based on the Saudi Arabian Interbank Offered Rate (SAIBOR), plus an added fixed commission rate. On December 31, 2023, the outstanding balance for these contracts amounted to SAR 81 million (compared to SAR 70 million in 2022). These contracts are secured by pledging shares as collateral.

Company and Subsidiaries Total Indebtedness:

The total indebtedness of the Company and its subsidiaries, including Murabaha (Islamic financing), loans, capital leases, trade payables, receivables, accrued dividends, and statutory reserves, amounted to SAR 1,193 million by the end of the year 2023, compared to SAR 1,352 million in the previous year, as shown in the table below:

Statement (in million riyals)	2023	2022
Murabaha and short-term loans	585	576
Current installments of Murabaha and long-term loans	38	108
Murabaha and long-term loans	39	84
Financial Derivatives	0	18
Total Murabaha, loans, and capital leases	662	786
Creditors and other outstanding payables	326	356
Accrued dividend distributions	12	12
Zakat, tax, and deferred tax provisions	68	57
Employees end-of-service benefits provisions	82	94
Liabilities under lease contracts	43	47
Total	530	565
Total Liabilities	1,193	1,352

Accrued Statutory Payments Value:

The Company has completed its zakat assessment for the year ended on December 31, 2008, and obtained an unrestricted zakat certificate for the mentioned year. The Company has submitted its zakat returns for the years ended on December 31, 2009, until 2018, and obtained a Restricted Zakat Certificate for the mentioned years. The Authority has issued a preliminary assessment regarding the zakat returns submitted for the years 2009 to 2018. Based on this assessment, it has claimed additional zakat differences amounting to SAR 180 million. The Company, in turn, has filed an objection to the mentioned preliminary zakat assessment. Accordingly, the Authority has issued a revised zakat assessment, in which it has demanded the Company to pay zakat differences for the years 2009 to 2018, totaling an amount of SAR 97 million. In this regard, the Company's management believes that the Authority did not take into account the zakat payments made based on the zakat returns submitted, totaling SAR 27 million for the years ended on December 31, 2009, until 2014. The Company has been in communication with the Authority to substantiate the amounts paid, and the Authority has included the above-mentioned amount in the Company's account. As a result, the total zakat differences due from the Company amount to SAR 70 million instead of the original SAR 97 million. The company has objected to the zakat assessment, and the objection has been escalated to the settlement of tax violations and disputes committee. After the committee reviewed the Company's settlement request, the committee issued an apology for not considering the settlement request.

In 2021, a decision was issued by the Third Circuit for the Settlement of Tax Violations and Disputes, which accepted some of the objection's terms. As a result, the zakat differences due amount to SAR 58.9 million. The Company and the Authority have appealed against the aforementioned decision of the Third Circuit to the Appeal Committee for Tax Violations and Disputes that issued its decisions, resulting in the zakat differences due amounting to SAR 57.2 million. Consequently, the Authority has issued the final zakat assessment in accordance with the decisions of the First Appeal Department for Income Tax Violations and Disputes. The zakat differences have been properly adjusted, resulting in a total zakat due from the Company for the years 2009 to 2018 in the amount of SAR 50,861,245. The Company is currently in the process of paying the zakat dues after the Authority has approved the installment plan for the zakat amount to be paid over monthly installments.

The Company has submitted its zakat returns for the years ended on December 31, 2019, and 2020, and obtained unrestricted zakat certificates for those years. The Authority has issued a preliminary zakat assessment for those years, demanding additional zakat differences totaling SAR 15 million. The Company has filed an objection to the mentioned preliminary zakat assessment. As a result, the Authority has issued a revised zakat assessment, in which the Company is being requested to pay zakat differences totaling SAR 5 million. The company has escalated its objection to the General Secretariat of Zakat, Tax, and Customs Committees. The Third Circuit for the Settlement of Income Tax Violations and Disputes has issued its decisions regarding the mentioned years, accepting the Company's objection in form, but rejecting it in merits. The company has filed an appeal against the decisions of the Third Circuit for the Settlement of Income Tax Violations and Disputes for the mentioned years through the website of the General Secretariat of Zakat, Tax, and Customs Committees. The Authority has approved the Company's request to submit a settlement request to the Committee for the Settlement of Zakat and Tax Disputes. Both the Company and the Settlement Committee have agreed to the Company's payment of SAR 4,233,355 for the mentioned two years. - The Company is currently in the process of paying the zakat dues after the Authority has approved the installment plan for the zakat amount to be paid over monthly installments.

The Company has submitted its consolidated zakat declaration until 2022, including its wholly-owned subsidiary companies, and has obtained the zakat certificate. The Authority has issued the preliminary zakat assessment draft for the years 2021 and 2022 and requested the Company provide certain information/documents pertaining to the mentioned years; however, the preliminary assessment is still under review by the Zakat and Tax Authority.

The Company and its consolidated subsidiaries zakat provisions amounted to SAR 53.5 million in the fiscal year 2023. The zakat payment will be made after completing the procedures for submitting the zakat returns to the Authority.

Additionally, its subsidiaries are liable for taxes amounting to SAR 76 million until the end of the year 2023.

In 2023, the company has regularly made payments for its fees and other statutory obligations.

The table below shows the value of the due statutory payments for the Company and its subsidiaries as on the end of 2023.

Statement (in thousand riyals)	2023		Brief description thereof	Statement of Reasons
	Payer	Due until the end of 2023 G and has not been paid		
Zakat	26,813	53,526	Paid or charged for the year is done in accordance with the provisions and laws of the Saudi Zakat and Tax Authority	Zakat shall be made after the completion of the procedures for submitting the zakat returns
Tax	448,315	76,015	Paid or charged for the year in provisions and regulations	Tax payment shall be made after completing the procedures for submitting the tax returns for each type of tax imposed on the subsidiaries
General Organization for Social Insurance	15,388	1,298	Paid or charged to the year in accordance with the provisions and regulations of the General Organization for Social Insurance in the KSA	The amounts due will be paid during the year 2023 G according to the statutory period
Visa and Passport Costs	1,011	-	Paid during the year in accordance with the relevant provisions and regulations	-
Labor Office Fee	5,495	19	Paid during the year in accordance with the relevant provisions and regulations	-

The Company explains that because Zakat and Income Authority opened previous years for subsidiaries, claims for differences in the amount of SAR 3.2 million arose, objections were submitted but were not registered as outstanding in the financial statements showing the points of view of the administrations of the subsidiaries and the Zakat consultant on the validity of its position of the objections.

Company's Dividends Policy:

According to the Company's approved dividend policy, the Company adheres to the governing and organizing policies to protect and maximize the interests of its shareholders in all respects in order to raise the value of their investments in the Company. The distribution of dividends to shareholders in any period depends on the Company's profits, financial situation, market conditions and overall economic climate, investment opportunity factors, Company interests for reinvestment, monetary and capital requirements, as well as legal and systemic considerations. Thus, it cannot guarantee a dividend for any year.

Any proposed dividend require that the Board of Directors obtains approval of the General Shareholders Assembly. In accordance with the Company's articles of association, the distribution of the Company's annual net dividend after deducting all public expenses and other costs and after setting aside the regular reserve and other reserves shall be as follows:

- 1 Setting aside (10%) of net profits for the formation of a regular reserve. The General Assembly may suspend such set-off once the Said reserve has reached (30%) the paid capital.
- 2 The General Assembly, at the suggestion of the Board of Directors, shall set aside a proportion not exceeding (10%) of net profits for the formation of a voluntary reserve allocated for a particular purpose/s.
- 3 The ordinary General Assembly may decide to form other reserves, to the extent that they are in the Company's interest or to ensure that fixed dividends are distributed to shareholders, as far as possible. The Assembly may also deduct from the net profits amounts for the establishment of social enterprises for the Company's employees or for the aid of any such enterprises.
- 4 At the suggestion of the Board of Directors, the General Assembly may then distribute to shareholders at least (5%) of the Company's paid-up capital.
- 5 Subject to the provisions set forth in article 21 (Remuneration of Board Members) of the Company's articles of association, article 76 of the Companies Act, up to 10 per cent (10%) of the remainder shall be allocated for the remuneration of Board members, provided that the entitlement to such remuneration is proportional to the number of meetings attended by the member.

The Company may distribute a progress dividend to its shareholders on a semi-annual or quarterly basis after meeting the requirements and regulations in this regard.

The right to distribute dividends is for shareholders who own shares on the maturity date registered in the Company's shareholder register at the Securities Depository Center at the end of the second trading day following the maturity date, in line with market rules and procedures for amending the time period for settling listed securities transactions (T+2), after the Assembly approves the distribution of dividends proposed by the Board of Directors. The dividends scheduled to be distributed to shareholders shall be paid within 15 working days from the due date of these dividends specified in the General Assembly Resolution.

Dividends for previous years:

No dividends were distributed during the years 2018, 2019, 2020, 2021, and 2022, and the Board of Directors did not recommend distributing dividends to shareholders during the year 2023.

The interest in the class of voting shares:

The Company was not informed during the fiscal year 2023 of any rights in the interest of the class of shares with the right to vote belonging to persons (except members of the Board of Directors, senior executives and their relatives). Moreover, no person has a significant ownership in the Company's shares with the exception of Dallah Al Baraka Holding Company. The table below shows ownership and interest of Dallah Al Baraka Holding Company in voting



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

Names of members of the Board of Directors, members of committees and executive management, their current and previous jobs, qualifications and experience:

1

Members of BOD:



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

Qualifications and Experience:

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



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

Qualifications and Experience:

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



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

Qualifications and Experience:

He holds a Bachelor of Arts in Political Science and Management from the University of Tulsa in the United States of America. He began his professional career in 1977, where he held many leadership positions in the Shobokshi Group of Companies, memberships in the boards of directors of local and international companies, membership in press institutions, and participated in a number of local and international conferences as a speaker.



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

Qualifications and Experience:

He holds a Bachelor's degree in Structural Engineering from Arizona State University in the United States of America. He began his professional career in 1982, where he held many positions in a number of companies and memberships in the boards of directors of companies in various (printing and publishing, investment banking, investment companies, biotechnology, and real estate investment and development) sectors.



Abdullah Ibrahim Al-Howais
(Managing Director)
(Member of the Investment and Finance Committee)

Current Jobs:

Managing Director - Sinad Holding Company
(His duties as CEO of the Company ended on 05/27/2023 AD)

Previous Jobs:

Managing Director - Amlak International Real Estate Finance Company

Qualifications and Experience:

He holds a Bachelor's Degree in Economics from King Abdulaziz University - Kingdom of Saudi Arabia. He began his professional career in 1985 AD, where he held many leadership positions in a number of banks and companies and memberships in boards of directors and committees of local and international companies in various (banking, finance, investment, transportation, trade, and industry) sectors.



Mansour Abdulaziz Al-Busaili
(Member of the BOD)
(Chairman of the Remuneration and Nominations Committee)

Current Jobs:

Businessman

Previous Jobs:

Senior Director of Legal Affairs and Secretary General at the Saudi British Bank

Qualifications and Experience:

He holds a Bachelor's degree in Law and Regulations from King Saud University - Kingdom of Saudi Arabia. He began his professional career in 1985 AD, where he held many leadership positions in a number of banks and memberships in boards of directors and committees of companies in various (banking, finance, insurance, investment, transportation, trade, and real estate investment) sectors.



Omar Abdullah Jafri
(Member of the BOD)
(Member of the Audit Committee)

Current Jobs:

Advisor to the Minister of Transport

Previous Jobs:

Senior Advisor to the General Manager - Saudi Arabian Airlines

Qualifications and Experience:

He holds a doctorate in marketing from the University of Alabama, a master's in business administration and a bachelor's degree in industrial management from King Fahd University of Petroleum and Minerals. He began his professional career in 1990, where he held many leadership positions in a number of companies and memberships in boards of directors and committees in local and international companies in various (Air transport and information



Faisal Mohammed Shaker
(Member of the BOD)
(Member of the Investment and Finance Committee)

Current Jobs:

CEO - Modern Food Company

Previous Jobs:

CEO and Head of Wealth and Investment Management - Oda Capital Company

Qualifications and Experience:

He holds a master's degree in economics from Old Dominion University - Norfolk in the United States of America, and a bachelor's degree in business administration - marketing from King Saud University - Kingdom of Saudi Arabia. He began his professional career in 1999 AD, where he held many leadership positions in a number of banks and companies and held memberships in boards of directors and corporate committees in various sectors (development and management of investment platforms, investment banking services, asset management, wealth management, corporate banking services, commercial banking services, business development, the pharmaceutical industry sector, the food sector, investment and real estate development).



Saad Abdulaziz Al-Khalb
Membership started on 27/10/2022 G

Current Jobs:

CEO - Saudi Export-Import Bank

Previous Jobs:

Chairman of the Saudi Ports Authority

Qualifications and Experience:

He holds a Bachelor's Degree in Electrical Engineering from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia. He began his professional career in 1993, where he held many positions in a number of banks, companies, and authorities in different sectors.

2

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

Nasser Sohag Al Shaibani
(Member of the Audit Committee)

Current Jobs

Financial and administrative advisor

Previous Jobs

Lecturer at the Technical College in Riyadh

Qualifications and Experience

He holds a master's degree in accounting and information systems from the University of Denver in the United States of America and a bachelor's degree from King Saud University. He is a member of the Saudi Organization for Certified Public Accountants. He began his professional career in 1994 and has experience in accounting, application, implementation and analysis of financial systems as well as in preparing financial and administrative policies and procedures, corporate structuring and analysis of strengths and weaknesses of the financial system.

3

Executive Management :**The Name**

Abdullah Ibrahim Al-Howais

Current Jobs

Managing Director - Sinad Holding Company

Previous Jobs

Managing Director - Amlak International Real Estate Finance Company

Qualifications and Experience

He holds a Bachelor's Degree in Economics from King Abdulaziz University - Kingdom of Saudi Arabia. He began his professional career in 1985 AD, where he held many leadership positions in a number of banks and companies and memberships in boards of directors and committees of local and international companies in various (banking, finance, investment, transportation, trade, and industry) sectors.

The Name

Jameel Abdullah AlMolhem

Current Jobs

CEO - Sinad Holding Company (His term as CEO of the Company began on 05/28/2023)

Previous Jobs

Managing Director and CEO of Takween Advanced Industries Group

Qualifications and Experience

He holds a Bachelor of Science in Marketing from King Fahd University of Petroleum and Minerals - Kingdom of Saudi Arabia. He began his professional career in 1995 AD, where he held many leadership positions in a number of companies and memberships in the boards of directors and committees of local and international companies, in various (communications, information technology, insurance, and. logistics, household and electronic appliances industry, food industry, plastics industry, investment, and finance) sectors

The Name	Current Jobs	Previous Jobs	Qualifications and Experience
Abdul Hakim Abdul Rahman Al Shafei	Company Advisor	An advisor for a number of companies	He holds a professional board membership certificate from the Institute of Executive Directors and accreditation of the International Finance Corporation (IFC), a diploma in corporate governance from Tulane University School of Law in the United States of America, a sales practice certificate and a marketing practice certificate from the Chartered Marketing Institute in Britain, and a bachelor's degree in statistics from Kuwait University. He has accumulated experience for more than 38 years and held leadership positions in companies. He also undertook projects to develop corporate governance, acquisitions and mergers, with membership in boards of directors, and attendance at a number of courses, including administrative leadership, strategic management, crisis and change management, finance, and others.
Sami Abdel Salam Weheba (His term as Chief Financial Officer at the Company ended on 04/15/2023)	Chief Financial Officer	Deputy Regional Director for Major Corporate Finance - Banque Française	Mr. Sami holds a bachelor's degree in Business Administration from the University of Alexandria. He started his career in 1994 G, where he held many positions in a number of Saudi banks, where his expertise focused in financing large corporates. He also worked as committee member in local companies in the finance, insurance and investment sector, and began working in the company as the Executive Director of Finance from 1st of December 2021 G.
Ahmed Sanad Al Sanad	Executive Director of Governance, Risk and Compliance and Secretary of the Board and Committees	Director of Management and Shareholder Affairs	He holds a master's degree in financial management from Al-Faisal Colleges and a bachelor's degree in international business administration from King Abdulaziz University. He holds the Certified Compliance Officer certificate from the Financial Institute (CCO), the Certificate of Conformity and Compliance, Anti-Money Laundering and Terrorist Financing (CME2), and the General Certificate for Dealing in Securities (CME1). He began his professional career in 2003 and worked in several departments of the Company, holding various positions up to the position of Executive Director of Governance and Compliance.
Abdullah Ghanim	Chief Investment Officer	Senior Manager - National Consulting House Company	He holds a Bachelor's degree in Financial Management from Prince Sultan University, and holds the Certificate of Conformity, Commitment, Anti-Money Laundering and Terrorist Financing (CME2) and the General Certificate for Dealing in Securities (CME1) from the Financial Institute in Saudi Arabia. Moreover, he holds the Financial Modeling and Valuation Analyst (FMVA) certificate from the Canadian Financial Institute (CFI). He started his working life in the year 2006 AD in a consulting Company licensed by the Capital Market Authority that provides investment banking services, where he held several positions up to the position of senior manager, and began working in the Company as investment manager from September 2020 AD.
Muhammad Ibrahim Muhammad Suleiman (He was appointed as the Company's Chief Financial Officer from 04/16/2023 AD)	Financial Controller And the acting Chief Financial Officer	Senior Audit Manager - Ernst & Young & Co	He holds a Bachelor of Commerce from Cairo University. He is a Fellow of the Society of Management Accountants in the United States of America. He is a Fellow of the Society of Certified Public Accountants in the State of New Hampshire in the United States of America. He began his professional career in 2004 and worked in the field of auditing at Ernst & Young and Deloitte, where he held various positions up to the position of Senior Manager and began working in the Company as financial controller since July 2016.

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

During the year 2023, some members of the Company's Board of Directors assumed membership in the boards of directors of other companies as follows:

BOD Member's Name	Companies in which he is a member of the current board of directors	Companies of which he was a member of the previous board of directors
	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia
Abdulaziz Mohammed Abdo Yamani	Halwani Brothers Company (Listed Joint Stock) – Saudi Arabia	Itqan Capital Company (Unlisted Joint Stock) – Saudi Arabia
	Dallah Al Baraka Holding Company (Unlisted Joint Stock) – Saudi Arabia	Dallah Doyle Bitumen Company (Limited Liability) - Saudi Arabia
	Dallah Al Baraka Investment Holding Company (Unlisted Joint Stock) – Saudi Arabia	Food Services Group Company (Unlisted Joint Stock) – Saudi Arabia
	Saudi-Egyptian Business Board (Union of Saudi Chambers) – Saudi Arabia	Al Rabie Saudi Foods Company (Limited Liability) - Saudi Arabia
	Foras International Investment Company (under liquidation) (Unlisted Joint Stock) - Saudi Arabia	Textile and Readymade Garments Company (Limited Liability) - Saudi Arabia
	Saudi Tourist Cities Company (Limited Liability) - Saudi Arabia	National Petrochemical Industries Company (Unlisted Joint Stock) - Saudi Arabia
	Al-Thuraya Al-Omraniya Real Estate Company (Limited Liability) - Saudi Arabia	Basic Arab Company for Advanced Industries (Limited Liability) - Saudi Arabia
	Imam Modern Real Estate Company (Limited Liability) - Saudi Arabia	Dallah Industrial Investment Company (Limited Liability) - Saudi Arabia
	Al Manakhah Urban Development Project Company (Unlisted Joint Stock) - Saudi Arabia	Arab Agricultural Investment Company (Unlisted Joint Stock) - Saudi Arabia
	Benefit Sharing Company for Real Estate (Limited Liability) - Saudi Arabia	Swicorp Saudi Arabia (Unlisted Joint Stock) - Saudi Arabia
	Buroj First Investment Company (Limited Liability) - Saudi Arabia	Saudi Foras Company (Unlisted Joint Stock) - Saudi Arabia
	Maad International Company (Limited Liability) - Saudi Arabia	Arabian Badge Company (Limited Liability) - Saudi Arabia
	Dallah Trading Company (Limited Liability) - Saudi Arabia	Al-Lujain Company (Listed Joint Stock) – Saudi Arabia
	Dallah Technology and Alternative Energy Company (Limited Liability) – Saudi Arabia	Investor Securities Company (Unlisted Joint Stock) – Saudi Arabia
	Joud Al-Hilli Trading Company Limited (Limited Liability) – Saudi Arabia	Al Samaha Business Company (Limited Liability) – Saudi Arabia
	Food Manufacturers Company (Limited Liability) – Saudi Arabia	Bait Al Tawfiq Development Company (Limited Liability) - Saudi Arabia
	International Biscuit Company (Limited Liability) – Saudi Arabia	Umm Al-Qura Development and Reconstruction Company (Unlisted Joint Stock) – Saudi Arabia
	Al Baraka Bank (Listed Joint Stock) – Egypt	Waj Development and Investment Company Limited (Limited Liability) – Saudi Arabia
	Dallah Al Baraka Egyptian Company for Investment and Development (Unlisted Joint Stock) – Egypt	Al-Tawfiq Financial Group (under liquidation) (Unlisted Joint Stock) – Egypt
	Arab Forum for Investments Company (Listed Joint Stock) - Egypt	Food Manufacturers Distribution Company (Limited Liability) – Saudi Arabia
	Al Baraka Financial Investments Company (Unlisted Joint Stock) – Egypt	Al-Tawfiq Tawarruq Company (Unlisted Joint Stock) - Egypt
	Ismailia Misr Poultry Company (Listed Joint Stock) - Egypt	Al-Tawfiq Financial Leasing Company (Unlisted Joint Stock) - Egypt

BOD Member's Name	Companies in which he is a member of the current board of directors	Companies of which he was a member of the previous board of directors
	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia
Abdulaziz Mohammed Abdo Yamani	Al-Tawfiq Development and Investment Company - Adecco (Unlisted Joint Stock) - Lebanon	Al-Tawfiq Company for Asset Leasing for Small and Medium Enterprises (Unlisted Joint Stock) – Egypt
	Al Tawfiq Investment Funds Company (Unlisted Joint Stock) - Cayman	Arab Company for Real Estate and Tourism Investment (Unlisted Joint Stock) - Egypt
	Bait Al Tawfiq Development Holding (Unlisted Joint Stock) - Bahrain	Egyptian Saudi Finance Bank (Unlisted Joint Stock) - Egypt
	Dallah International Holding Company (Unlisted Joint Stock) – Egypt	Tunisian Company for the Development of the Milk Industry (SOTUDIL) (Limited Liability) - Caiman
	Arab Company for Technological Investments and Development (Unlisted Joint Stock) - Egypt	Al-Sawary Investment Company Limited (OFFSHURE) (Limited Liability) - Cayman
	Dallah Real Estate Investments Company (Unlisted Joint Stock) – Egypt	Al-Kawamel Trading and Contracting Company (OFFSHURE) (Limited Liability) -Cayman
	Almaza Real Estate Development Company (Unlisted Joint Stock) - Egypt	Dallah Al Baraka Real Estate Investment Company (Unlisted Joint Stock) - Egypt
	Simla Hotels and Tourist Resorts Company (Costa de Simla) (Unlisted Joint Stock) - Egypt	Al Baraka Financial Investments Company (Unlisted Joint Stock) – Egypt
	New Ismailia Development and Urban Development Company (Listed Joint Stock) - Egypt	Supply Company for Electrical Works (OFFSHURE) (Limited Liability) - Cayman
	Technikon Technology Company	Saudi Tourist Cities Company (Limited Liability) - Saudi Arabia
	Al-Mushrif Company (Unlisted Joint Stock) - Lebanon	Ismailia Misr Poultry Company (Listed Joint Stock) - Egypt
	Al Mushrif Club Company (Unlisted Joint Stock) – Lebanon	
	Helwan Brothers Company (Unlisted Joint Stock) - Egypt	
	Dallah Al Baraka Holding (Unlisted Joint Stock) – Bahrain	
	Saden Holding Company (Limited Liability) – Lebanon	
	GODIVA INVESTMENT (GDV) (UL EGYPT B.T)-Private Limited Company.	
	UI Egypt (private Co. With Limited) – Egypt	
Amr Mohamed Kamel	Dallah Health Services Company (Listed Joint Stock) – Saudi Arabia	Al-Khozama Management Company (Unlisted Joint Stock) – Saudi Arabia
	Amlak International Real Estate Finance Company (Listed Joint Stock) – Saudi Arabia	National Environmental Conservation Company (Limited Liability) – Saudi Arabia
	Maad International Construction and Development Company (Limited Liability) - Saudi Arabia	
	Shams Union Company (Limited Liability) – Saudi Arabia	
	Al Manakhah Company (Al Manakhah Urban Development Project) (Unlisted Joint Stock) - Saudi Arabia	
Hussein Ali Shobokshi	Shobokshi Development and Trade Company (Limited Liability) - Saudi Arabia	
	Naeem Holding Investment Company (Listed Joint Stock) - Egypt	

BOD Member's Name	Companies in which he is a member of the current board of directors	Companies of which he was a member of the previous board of directors
	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia
Suleiman Ibrahim Al-Hadithi	Saudi Private Laboratories Company (Unlisted Joint Stock) - Saudi Arabia	Saudi Research and Marketing Group (Listed Joint Stock) - Saudi Arabia
	Najmat Al Madaen Group Company (Unlisted Joint Stock) - Saudi Arabia	Saudi Printing and Packaging Company (Listed Joint Stock) – Saudi Arabia
		Venture Capital Investment Company (Unlisted Joint Stock) – Saudi Arabia
Abdullah Ibrahim Al-Howaish	Amlak International Real Estate Finance Company (Listed Joint Stock) – Saudi Arabia	Standard Chartered Capital Saudi Arabia (Unlisted Joint Stock) - Saudi Arabia
	Halwani Brothers Company (Listed Joint Stock) – Saudi Arabia	Saudi Ground Services Company (Listed Joint Stock) - Saudi Arabia
	Halwani Brothers Company (Unlisted Joint Stock) - Egypt	Saudi Ground Services Company (Listed Joint Stock) - Saudi Arabia
	Al Rabie Saudi Foods Company (Unlisted Joint Stock) - Saudi Arabia	Saudi Al-Amad Company for Airport Services and Transport Support (Unlisted Joint Stock) - Saudi Arabia
	Jordan Islamic Bank (Listed Joint Stock) - Jordan	
		Riyadh Airports Company (Unlisted Joint Stock) - Saudi Arabia
		SABB Takaful Company (Listed Joint Stock) - Saudi Arabia
		Al-Tawfiq Financial Group (currently Itqan Capital) (Unlisted Joint Stock) - Saudi Arabia
		Fawaz Abdulaziz Al Hokair & Partners Company (Listed Joint Stock) – Saudi Arabia
		Saudi Credit Information Company (SIMAH) (Unlisted Joint Stock) - Saudi Arabia
		Al Ittifaq Steel Industries Company (Unlisted Joint Stock) – Saudi Arabia
		Al-Khozama Management Company (Unlisted Joint Stock) – Saudi Arabia
		Emaar the Economic City Company (Listed Joint Stock) - Saudi Arabia
		Al-Issa Industries Company (Unlisted Joint Stock) - Saudi Arabia
		SEDCO Capital Company (Unlisted Joint Stock) – Saudi Arabia
Omar Abdullah Jafri	Saudi Ground Services Company (Listed Joint Stock) - Saudi Arabia	National Air Services Company (NAS) (Unlisted Joint Stock) – Saudi Arabia
	SITA International Company (Unlisted Joint Stock) – Belgium	
	Yemen Airways Company (a joint government Company) - Yemen	

BOD Member's Name	Companies in which he is a member of the current board of directors	Companies of which he was a member of the previous board of directors
	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia	Company name - legal entity - inside/outside the Kingdom of Saudi Arabia
Faisal Mohammed Shaker	Saudi Pharmaceutical Industries and Medical Supplies Company (Listed Joint Stock) - Saudi Arabia	Falcon Plastic Products Company (Limited Liability) – Saudi Arabia
	Abdul Mohsen Al Hokair Group for Tourism and Development (Listed Joint Stock) - Saudi Arabia	Arak Company (Limited Liability) - Saudi Arabia
	Modern Foods Company Limited (Limited Liability) - Saudi Arabia	Spimaco Company (Unlisted Joint Stock) - Egypt
	National Bank of Kuwait Wealth Management (Unlisted Joint Stock) - Saudi Arabia	Spimaco Company (Unlisted Joint Stock) – Morocco
	Al-Qassim Medical Services Company (Unlisted Joint Stock) - Saudi Arabia	
Saad Abdulaziz Al-Khalb	The Saudi British Bank (Listed Joint Stock)- Saudi Arabia	Saudi Company for Electronic Information Exchange (Tadabul) (Unlisted Joint Stock) - Saudi Arabia
	Saudi Export-Import Bank (Government Authority) - Saudi Arabia	
	Saudi Export Development Authority “Saudi Exports” (Government Authority) - Saudi Arabia	
	United Financial Services Company “Tas’heel Finance” (Unlisted Joint Stock) - Saudi Arabia	
Mansour Abdulaziz Al-Busaili	Saudi Ground Services Company (Listed Joint Stock) - Saudi Arabia	Saudi Cooperative Reinsurance Company (Re) (Listed Joint Stock) – Saudi Arabia
	United Electronics Company (Listed Joint Stock) – Saudi Arabia	SABB Takaful Company (Listed Joint Stock) - Saudi Arabia
	Al Rajhi Bank (Listed Joint Stock) – Saudi Arabia	Jabal Omar Development Company (Listed Joint Stock) - Saudi Arabia
		HSBC Saudi Arabia Company (Unlisted Joint Stock) – Saudi Arabia
		Saudi White Cement Company (Unlisted Joint Stock) - Saudi Arabia
		Amlak International Real Estate Finance Company (Listed Joint Stock) – Saudi Arabia
		Jaz Arabian Services Company (Listed Joint Stock) – Saudi Arabia

During the year 2023, no member of the Board of Directors had membership in the boards of directors of more than five Listed Joint Stock companies.

Composition of the Board of Directors and membership classification:

The Company's board of directors consists of nine members in accordance with the Company's bylaws. The fifty-second ordinary general assembly, held on 10/19/2022 AD, appointed members of the board of directors for a period of three calendar years starting from 10/27/2022 AD, and during the year 2023 AD, no change occurred in the Board members since their election. Accordingly, the Board consists of eight non-executive members, including four independent members in addition to an executive member.

The table below shows the composition of the Board and membership classification for the year 2023:

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

Board of Directors Meetings and Members' Attendance Record During the Year 2023:



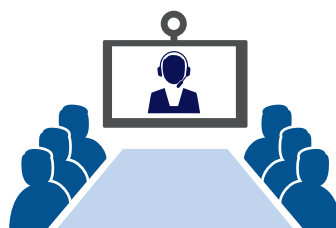
The Company's Board of Directors held five meetings during the fiscal year 2023 AD. Moreover, the Board of Directors issued a number of passing decisions in the periods between the dates of its meetings during the year 2023 AD, in accordance with the needs and requirements of the Company, especially the decisions to approve the quarterly and annual financial statements, after the Audit Committee studied them and submitted its recommendations to the Board. The record of Board meetings during the year 2023 was as follows:

BOD Member's Name	Meeting times					Attendance number of meetings
	First meeting 2023/03/26	Second Meeting 2023/06/18	Third Meeting 2023/09/28	Fourth Meeting 2023/11/05	Fifth Meeting 2023/12/24	
Abdul Aziz Muhammad Abdo Yamani	✓	✓	✓	✗	✓	4/5
Amr Mohamed Kamel	✓	✓	✓	✓	✓	5/5
Hussein Ali Shobokshi	✓	✓	✓	✓	✓	5/5
Suleiman Ibrahim Al-Hadithi	✓	✓	✓	✓	✓	5/5
Abdullah Ibrahim Al-Howaish	✓	✓	✓	✓	✓	5/5
Mansour Abdulaziz Al-Busaili	✓	✓	✓	✓	✓	5/5
Omar Abdullah Jafri	✓	✓	✓	✓	✓	5/5
Faisal Mohammed Shaker	✓	✓	✗	✓	✓	4/5
Saad Abdulaziz Al-Khalb	✓	✓	✓	✓	✓	5/5

The date of the last meeting of the General Assembly is 05/28/2023 AD

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

During the current session, which began on 10/27/2022 AD, the Board of Directors held (7) meetings, and the table below shows the attendance of Board members at its meetings during the current session:



BOD Member's Name	Session (16) of the Board of Directors Started on 10/27/2022 AD and ends on 10/26/2025 AD		
	Number of Meetings	The Attendance	Attendance rate
Abdul Aziz Mohammed Abdo Yamani	7	6	85%
Hussein Ali Shobokshi	7	7	100%
Suleiman Ibrahim Al-Hadithi	7	7	100%
Abdullah Ibrahim Al-Howaish	7	7	100%
Mansour Abdulaziz Al-Busaili	7	7	100%
Omar Abdullah Jafri	7	7	100%
Faisal Mohammed Shaker	7	6	85%
Amr Mohamed Kamel	7	7	100%
Saad Abdulaziz Al-Khalb	7	7	100%

Main Company's Committees:

Within the framework of the Company's governance rules and based on the requirements of the needs, circumstances, and nature of the Company's business, the Board of Directors has formed three main Committees with the aim of assisting the Board in performing its tasks and responsibilities, conducting its work effectively, and raising the level of supervision, control, and decision-making controls in the Company. These Committees are the Audit Committee, the Remuneration Committee and the nominations, and the Investment and Finance Committee. The Board of Directors supervises their work, and the Committees present the results of their work and recommendations to the Board on a periodic basis. The Committees' terms of reference, tasks, composition, chairpersons, members, number of meetings, dates of their holding, and members' attendance data for each meeting during the year 2023 are summarized as follows:



Audit Committee



Remuneration and Nominations Committee



Investment and Finance Committee

Audit Committee:

The 46th General Assembly, held on 12/31/2017, approved the work regulations of the Audit Committee, which includes the formation of the Committee, its tasks, controls for its work, and the remuneration of its members in accordance with the Corporate Governance Regulations. The Audit Committee is responsible for monitoring the Company's business and verifying the soundness and integrity of its reports, financial statements, and internal control systems. The Committee's tasks include, in particular, those set out below, in addition to any other tasks and responsibilities assigned to it by the Board of Directors:

First : Financial Reports:

1. Studying the Company's initial and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommendation regarding them; to ensure their integrity, fairness and transparency.
2. Expressing a technical opinion - at the request of the Board of Directors - as to whether the Board of Directors' report and the Company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model and strategy.
3. Studying any important or unusual issues included in the financial reports.
4. Thoroughly research any issues raised by the Company's financial director, whoever assumes his duties, the Company's compliance officer, or the auditor.
5. Verifying accounting estimates on material matters contained in financial reports.
6. Studying the accounting policies followed by the Company and expressing an opinion and recommendation to the Board of Directors regarding them.

Second : Internal Audit:

1. Studying and reviewing the Company's internal, financial, and risk management systems.
2. Studying internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.
3. Monitoring and supervising the performance and activities of the internal auditor or (the Company's internal audit department - if any -); to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them. If the Company does not have an internal auditor, the Committee must submit its recommendation to the Board regarding the need to appoint one.
4. Recommending to the Board of Directors to appoint a director of the internal audit unit or department or the internal auditor and proposing his remuneration.
5. The Committee shall meet periodically with the Company's internal auditor at least twice a year.

Third : External Auditor:
















1. Recommending to the Board of Directors to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the Company's auditor's plan and work, verifying that he is not submitting technical or administrative work that falls outside the scope of audit work, and expressing his views in this regard.
4. Answering the Company auditor's inquiries.
5. Studying the auditor's report and his comments on the financial statements and following up on the measures taken regarding them.
6. The Committee shall meet periodically with the Company's auditor at least twice a year.

Fourth : Compliance:

1. Reviewing the results of the regulatory authorities' reports and verifying that the Company has taken the necessary measures regarding them.
2. Verifying the Company's compliance with relevant laws, regulations, policies and instructions.
3. Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, and presenting its views regarding that to the Board of Directors.
4. Raising any issues it deems necessary to take action on to the Board of Directors, and expressing its recommendations on the measures that must be taken.

The Committee was formed by a decision of the fifty-second ordinary general assembly of the Company, which was held on 10/19/2022 AD, for a period of three years starting from the beginning of the Board of Directors' session on 10/27/2022 AD. It is composed of three members who are not members of the executive board of directors: Engineer Suleiman Ibrahim Al-Hadithi, Chairman of the Committee, who is a non-executive member of the Board of Directors, and the membership of Dr. Omar Abdullah Jafri, who is an independent member of the Board of Directors, and Mr. Nasser Sahaj Al-Shaibani, who is an independent external member specialized in financial and accounting affairs.

The following is a table showing the Chairman and members of the Committee, the number of its meetings, the dates of their holding, and the attendance information for members for each meeting during the year 2023 AD, as follows:

Name	Membership Nature	The Committee exercised its duties by holding (5) meetings during the year 2023				
	Previous Session	First Meeting 2023/03/22	Second Meeting 2023/05/16	Third Meeting 2023/08/08	Fourth Meeting 2023/10/08	Fifth Meeting 2023/11/02
Suleiman Ibrahim Al-Hadithi	Chairman					
Omar Abdullah Jafri	Member					
Nasser Sohag Al Shaibani	* Member					

* An independent external member specialized in financial and accounting affairs

Remuneration and Nominations Committee:

In line with the Corporate Governance Regulations, the Board of Directors decided to merge the Remuneration and Nominations Committees into one Committee under the name of the Remuneration and Nominations Committee, which shall assume all the powers and tasks of the Remuneration and Nominations Committees mentioned in the Corporate Governance Regulations. Accordingly, the General Assembly No. (46) held on 12/31/2017 AD adopted the Regulations of Work of the Remuneration and Nominations Committee that include the formation of the Committee, its tasks, its work controls, and the remuneration of its members in accordance with the corporate governance regulations. The Remuneration and Nominations Committee is concerned with the tasks related to the remuneration of members of the Board and the Committees emanating from it, the remuneration of the executive management, and nominations for membership in the Board and the executive management as set forth below, in addition to any other tasks and responsibilities assigned by the Board of Directors:

First: Regarding the Company's Remunerations:

1. 1. Preparing a clear remuneration policy and submitting it to the Board of Directors for consideration in preparation for its approval by the Company's General Assembly, provided that this policy includes:
 - a. Board members' remuneration.
 - b. Remuneration of Committees emanating from the Board of Directors.
 - c. Executive management remuneration.

This policy should take into account following standards related to performance, disclosing them, and verifying their implementation.

2. Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and indicating any material deviation from this policy.
3. Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired goals.
4. Recommending the following to the Board of Directors, in accordance with the policy approved by the Assembly:
 - a. Board members' remuneration.
 - b. Remuneration of Committees emanating from the Board of Directors.
 - c. Remuneration for senior executives.







Second: Regarding nominations for membership in the Board of Directors and Executive Management:

The Committee's terms of reference with regard to nominations are as follows:

1. Proposing clear policies and standards for membership in the Board of Directors and executive management.
2. Recommending to the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate anyone who has previously been convicted of a crime involving breach of trust.
3. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and filling executive management positions.
4. Determining the time that a member must devote to the work of the Board of Directors.
5. Annual review of the necessary skills or experience needed for membership in the Board of Directors and executive management functions.
6. Reviewing the structure of the Board of Directors and executive management, and providing recommendations that can be made.
7. Annually verifying the independence of independent members, and the absence of any conflict of interest if the member holds a membership in the board of directors of another company.
8. Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
9. Establishing special procedures in the event that the position of a member of the Board of Directors or a senior executive becomes vacant.
10. Identifying the weaknesses and strengths of the Board of Directors, and proposing solutions to address them in a way that is consistent with the Company's interest.

The Remuneration and Nominations Committee was formed by a decision of the Board of Directors for a period of three years starting from the beginning of the Board of Directors' session on 10/27/2022 AD. It is composed of three members who are not members of the Executive Board of Directors. They are Mr. Mansour Abdulaziz Al-Busaili as Chairman of the Committee and he is an independent member of the Board of Directors, with the membership of Mr. Hussein Ali Shobokshi and Mr. Amr Mohamed Kamel, who are non-executive members of the Board of Directors.

The following is a table showing the chairman and members of the Committee, the description and nature of membership, the number and dates of its meetings, and attendance data for members for each meeting during the year 2023 AD:

Name	Nature of membership	The Committee exercised its duties by holding (2) meetings during the year 2023	
		First Meeting 2023/02/14	Second Meeting 2023/12/24
Mansour Abdulaziz Al-Busaili	Chairman		
Hussein Ali Shobokshi	Member		
Amr Mohamed Kamel	Member		

Investment and Finance Committee:
















At its meeting on 11/08/2020 AD, the Board of Directors approved the work regulations of the Investment and Finance Committee, which include the formation of the Committee, its tasks, controls for its work, and the remuneration of its members, in order to assist the Board of Directors in performing its duties and carrying out its responsibilities related to the powers, tasks, and responsibilities below, in addition to any other tasks and responsibilities assigned to it by the Board of Directors.

The Terms of Reference, Tasks and Responsibilities of the Investment and Finance Committee:

1. Developing investment strategies and policies, reviewing them periodically, and submitting recommendations thereto to the Board of Directors.
2. Processing appropriations and investments according to the powers delegated to the Committee by the Board of Directors.
3. Studying new investment opportunities and submitting recommendations to the Board of Directors.
4. Studying and periodically evaluating the performance of investments, and submitting recommendations thereon to the Board of Directors.
5. Supervising and monitoring the implementation of investment policies, strategies and projects, and submitting recommendations thereto to the Board of Directors.
6. Studying and evaluating the investment opportunities proposed by management in relation to the following transactions, and making recommendations regarding them:
 - a. Merger or acquisition of companies
 - b. Exiting, selling, or transferring ownership of any of the Company's investments, and other forms of disposal of investments
 - c. Studying new investment opportunities and submitting recommendations to the Board of Directors
 - d. Studying the necessary financing sources for the various investments presented to the Company or recommended by management
7. Ensuring that the administrative and financial procedures related to managing the Company's investments are in line with legal requirements and administrative controls.
8. Proposing, studying and reviewing the appropriate financing structure for the Company, and its proportionality to the size of the existing and future investments made by the Company, and submitting recommendations regarding them to the Board of Directors.
9. Approving and concluding loans, agencies, banking facilities, and promissory notes, within the limits authorized by the Company's Board of Directors.
10. Appointing and determining the scope and fees of financial advice offices, to initiate acquisitions, mergers, or sale of investments and the like.
11. The Committee may recommend to the Board of Directors that it delegate some of its tasks and powers to the Executive Management.
12. Preparing periodic and annual reports on the Committee's work, and the annual disclosure report, and submitting them to the Board of Directors.

The Committee was formed by a decision of the Board of Directors for a period of three years starting from the beginning of the Board of Directors session on 10/27/2022 AD. It is composed of five members of the Board of Directors, namely Engineer Abdulaziz Yamani, Chairman of the Committee, who is a non-executive member of the Board of Directors, and Mr. Hussein Ali Shobokshi as a member, who is a non-executive member of the Board of Directors, with the membership of Mr. Abdullah Ibrahim Al-Huwaish, who is an executive member of the Board of Directors, Mr. Faisal Muhammad Shaker, who is an independent member of the Board of Directors, and Mr. Mansour Al-Busaili, who is an independent member of the Board of Directors.

The following is a table showing the chairman and members of the Committee, the description and nature of membership, the number and dates of its meetings, and attendance data for members for each meeting during the year 2023 AD:

Name	Nature of membership	The Committee exercised its duties by holding (3) meetings during the year 2023		
		First Meeting 2023/05/17	Second Meeting 2023/08/30	Third Meeting 2023/12/07
Abdulaziz Mohammed Abdo Yamani	Chairman			
Hussein Ali Shobokshi	Member			
Abdullah Ibrahim Al-Howaish	Member			
Faisal Mohammed Shaker	Member			
Mansour Abdulaziz Al-Busaili	Member			

The interest of board members and senior executives in the shares of the Company and its subsidiaries:

Interest in Company shares:

The table below shows the interest of the members of the Board of Directors in the Company's shares during the fiscal year 2023 AD. There is no interest for their relatives (wives and minor children) in the Company's shares or its subsidiaries. There is also no interest for any of the senior executives and their relatives in the Company's shares or its subsidiaries, nor is there any debt instruments of the Company or its subsidiaries.

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

Interest in Shares of Subsidiaries:**Halawani Brothers Company:**

The table below shows the interest of some members of the Board of Directors in the shares of Halwani Brothers Company (Listed Joint Stock), which is a subsidiary of the Company through the Asir Arab Industrial Investment Company Limited, wholly owned by the Company, during the fiscal year 2023 AD:

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

Al Rabie Saudi Food Company:

There is no interest for members of the Board of Directors in the shares of Alissa Industries Company, which is 57.3% owned by the Company during the fiscal year 2023 AD.

Alissa Industries Company:

There is no interest for members of the Board of Directors in the shares of Alissa Industries Company, which is 38% owned by the Company during the fiscal year 2023 AD.

Remuneration for members of the Board of Directors, emerging Committees, and executive management:

The 50th Ordinary General Assembly, held on 05/30/2021, approved the remuneration policy for members of the Board of Directors, the emerging committees, and the executive management, which aims to set clear standards for the remuneration of the members of the Board of Directors, the committees emerging from the Board, and the Company's senior executives in light of the requirements of the Companies Act and the Market Authority's regulations. The policy also aims to attract individuals with a degree of competence, ability, and talent in order to work on the Board of Directors, committees, and executive management by adopting motivating remuneration plans and programs linked to performance, which contributes to improving the Company's performance and achieving the interests of its shareholders.

First: Board members' remuneration:

1. According to Article (21) of the Company's bylaws, the remuneration for board members shall be a certain amount, an attendance allowance for sessions, benefits in kind, or a certain percentage of net profits. It is permissible to combine two or more of these benefits, in accordance with the provisions contained in the Companies Act, the Corporate Governance Regulations, and the rules and standards set by the Capital Market Authority in this regard.
2. If the remuneration is a certain percentage of the Company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Act and the Company's Bylaws, and after distributing a profit to shareholders of no less than (5 %) of the Company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, and any estimate contrary to this shall be invalid.
3. The remuneration of the Chairman of the Board of Directors shall be an amount of SR 350,000 annually, and the remuneration of a member of the Board of Directors shall be an amount of SR 250,000 annually.
4. The attendance allowance shall be SR 3,500 for each Board of Directors meeting.
5. The Company shall cover the actual reasonable expenses and expenditures incurred by a member of the Board of Directors for the purpose of performing his work.
6. In all cases; The total amount of remuneration and financial or in-kind benefits received by a member of the Board of Directors shall not exceed the maximum limit of the remuneration stipulated in the bylaws and regulations and in accordance with the controls established by the competent authority.
7. The Board's report to the Ordinary General Assembly must include a comprehensive statement of all bonuses, expense allowances, and other benefits received by Board members during the fiscal year. It should also include a statement of what Board members received in their capacity as workers or administrators, or what they received in exchange for technical or administrative work or consultations. It should also include a statement of the number of Board meetings and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
8. The remuneration of members of the Board of Directors may be of varying amounts to reflect the extent of the member's experience, specializations, the tasks assigned to him, his independence, the number of sessions he attends, and other considerations.
9. The remuneration of independent directors must not be a percentage of the profits achieved by the Company or be based directly or indirectly on the Company's profitability.

The table below shows the remuneration and compensation paid to members of the Board of Directors during the year 2023:

	Fixed Remunerations							Variable Remunerations						Indemnity	Grand total	Expense allowance
	A certain amount	Allowance for attending Board meetings	Total allowance for attending Committee sessions	benefits in kind	Technical, administrative and consulting work remuneration	Remuneration of the Chairman, Managing Director, or Secretary, if he is a member	Total	Percentage of profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			
First: Independent Members:																
Mansour Abdulaziz Al-Busaili	465,000	17,500	17,500	-	-	-	500,000	-	-	-	-	-	0	-	500,000	5,000
Omar Abdullah Jafri	350,000	17,500	17,500	-	-	-	385,000	-	-	-	-	-	0	-	385,000	12,000
Faisal Mohammed Shaker	350,000	14,000	10,500	-	-	-	374,500	-	-	-	-	-	0	-	374,500	0
Saad Abdulaziz Al-Khalb	250,000	17,500	-	-	-	-	267,500	-	-	-	-	-	0	-	267,500	0
Gross Total	1,415,000	66,500	45,500	0	0	0	1,527,000	0	0	0	0	0	0	0	1,527,000	17,000
Secondly: Non-Executive Members:																
Abdulaziz Mohammed Abdo Yamani	430,000	14,000	7,000	-	-	-	451,000	-	-	-	-	-	0	-	451,000	12,000
Hussein Ali Shobokshi	450,000	17,500	17,500	-	-	-	485,000	-	-	-	-	-	0	-	485,000	12,000
Suleiman Ibrahim Al-Hadithi	370,000	17,500	17,500	-	-	-	405,000	-	-	-	-	-	0	-	405,000	0
Amr Mohamed Kamel	350,000	17,500	7,000	-	-	-	374,500	-	-	-	-	-	0	-	374,500	0
Gross Total	1,600,000	66,500	49,000	-	-	-	1,715,500	-	-	-	-	-	0	-	1,715,500	24,000
Third: Executive Members:																
Abdullah Ibrahim Al-Howaish	350,000	17,500	10,500	-	-	-	378,000	-	-	-	-	-	0	-	378,000	0
Gross Total	350,000	17,500	10,500	0	0	0	378,000	0	0	0	0	0	0	0	378,000	0
Total Amount	3,365,000	150,500	105,000	0	0	0	3,620,500	0	0	0	0	0	0	0	3,620,500	41,000

Secondly: Remuneration of committee members:

The work regulations of the Audit Committee and the work regulations of the Remuneration and Nominations Committee, which were approved by the General Assembly, and the work regulations of the Investment and Finance Committee, which were approved by the Board of Directors, included the remuneration for its members, which are an annual remuneration of SR 120,000 (one hundred and twenty thousand riyals) for the chairman of the Committee and SR 100,000 (one hundred thousand riyals) for each other member, provided that the entitlement to this remuneration is proportional to the number of meetings that the member attends during the year.

The table below shows the remuneration and compensation paid to Committee members during the year 2023 AD:

Audit Committee Members:	Fixed remuneration (except session attendance allowance)	session attendance allowance	Total
Suleiman Ibrahim Al-Hadithi	120,000	17,500	137,500
Omar Abdullah Jafri	100,000	17,500	117,500
Nasser Sohag Al Shaibani	100,000	17,500	117,500
Gross Total	320,000	52,500	372,500

Members of the Remuneration and Nominations Committee:	Fixed remuneration (except session attendance allowance)	session attendance allowance	Total
Mansour Abdulaziz Al-Busaili	120,000	7,000	127,000
Hussein Ali Shobokshi	100,000	7,000	107,000
Amr Mohamed Kamel	100,000	7,000	107,000
Gross Total	320,000	21,000	341,000

Remuneration and Nominations Committee	Fixed remuneration (except session attendance allowance)	session attendance allowance	Total
Abdulaziz Mohammed Abdo Yamani	80,000	7,000	87,000
Hussein Ali Shobokshi	100,000	10,500	110,500
Abdullah Ibrahim Al-Howaish	100,000	10,500	110,500
Faisal Mohammed Shaker	100,000	10,500	110,500
Mansour Abdulaziz Al-Busaili	100,000	10,500	110,500
Gross Total	480,000	49,000	529,000

Third: Executive management remuneration:

The Board of Directors shall, based on the recommendation of the Remuneration and Nominations Committee, determine the remuneration of senior executives, which includes the following:

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

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

The table below shows the highest remuneration and compensation paid to seven senior executives during the year 2023 AD:

	Fixed Remunerations				Variable Remunerations						End-of-Service Gratuity	Total executive remuneration for the board, if any	Total Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Earnings	Short-term incentive plans	Long-term incentive plans	Granted shares	Gross Total			
Total Amount	8,075,449	3,246,532	0	11,321,981	4,233,975	0	0	0	0	4,233,975	0	267,500	15,823,456

There are no arrangements or agreement under which a member of the Company's board of directors or a senior executive waived any remuneration.

The methods relied upon by the Board of Directors to evaluate its performance and the performance of its committees and members:

The Board of Directors adopted an internal model to evaluate the performance of the Board's work based on the proposal of the Remuneration and Nominations Committee and in line with the requirements of the Corporate Governance Regulations. The model was designed for the purpose of assisting in the process of evaluating the effectiveness of the Board, and includes the structure of the Board of Directors, the operations of the Board of Directors, the role and responsibilities of the Board of Directors, and the role and responsibilities of the Chairman of the Board of Directors.

The Board of Directors also approved a performance evaluation form for the work of each of its affiliated Committees. The form was designed to contribute to verifying the performance of the Committees' work in accordance with their approved work regulations, which regulate the controls and procedures for the Committee's work, its tasks, and the rules for selecting its members. Verification elements include the formation of the Committee, its meetings, and its terms of reference, its tasks and responsibilities.

This is to identify the strengths and weaknesses in the performance of the Board and the committees to strengthen the areas of strength and work to address the shortcomings.

Businesses and contracts in which any member of the Board of Directors or senior executives has an interest:

The Company acknowledges that there are no business or contracts during the year 2023 in which the Company is a party or in which a member of the Board of Directors, senior executives, or any person related to any of them has an interest.

Businesses competing with the Company or any of the branches of activity it practices and which any member of the Board of Directors is practicing or was practicing:

The Company acknowledges that there are no competing businesses to the Company or to any of the branches of activity that it practices and which any member of the Board of Directors is practicing or has been practicing.

Transactions with related parties:

Some of the Company's subsidiaries, in the course of their normal commercial business, carried out transactions among themselves and with related parties within the framework of their normal activity, and on the same terms, principles, and prices of dealings followed with others. The table below shows a summary of the important transactions with related parties as of the end of the year, according to Note No. (20) the financial statements for this year:

Amounts due from related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Other commercial companies	Affiliated entities	Various transactions	10,767,132	1,344,228
Provision for doubtful debts	-	-	-	(9,614)
Balance				1,334,614

Amounts due from related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Dallah Trading Company	An affiliate owned by a major shareholder	Purchase of finished goods	-	-
Ismailia Egypt Poultry Company	An affiliate owned by a major shareholder	Purchasing raw materials	36,812	-
Others	Affiliated entities	Various transactions	428,082	553,100
Balance				553,100

Annual review of the effectiveness of internal control procedures:

An independent body shall carry out internal audit tasks, evaluate and examine the internal control systems and their effectiveness in the Company and submit its reports to the Audit Committee after discussing them with the Company's management. The Company's management shall take the necessary corrective measures for the observations contained in the internal audit reports and the observations of the certified public accountant during the inspection and review processes and follow up on their completion in order to strengthen the systems of internal control. Internal audit work shall be carried out according to an annual plan that is reviewed periodically. Internal audit tasks include evaluating the internal control system, the effectiveness of its procedures, and recommendations for improving and developing them under the supervision of the Audit Committee. As a result of the annual review of the internal control system and the effectiveness of its procedures, regular observations were revealed within the Company's exercise of its tasks that require corrective measures, with the aim of improving and developing control systems, and the absence of significant observations and risks, with a recommendation to continue the process of developing the control system, internal control procedures, and related activities by working on continuous improvement of systems, regulations, and executive operations procedures.

Opinion of the Audit Committee:

Based on the Committee's follow-up of its tasks, the internal auditor's reports, follow-up with the certified public accountant, and the corrective measures taken by the Company's executive management for continuous development and improvement, and the executive management's assurances that there are no material observations when preparing the annual consolidated financial statements for the year 2023 AD and the initial financial statements for the quarterly periods during the year 2023 AD, and processing all the observations made by the chartered accountant during the audit work for the year 2023 AD, with no reservations or fundamental observations that have not been addressed, the absence of fundamental observations by the Committee when studying those statements, the absence of fundamental observations from the Board of Directors and its approval of those financial statements, and management's assurances about the internal control system and the effectiveness of its procedures which was signed on 03/12/2024 AD, the financial statements were examined and reviewed by the independent certified auditor, who has the right to review all books and records, the minutes of the Board of Directors and its Committees, and the minutes of the General Assembly of Shareholders. Also, no substantive comment was received from the certified public accountant on the internal oversight and control systems. Based on the annual internal control report on evaluating the effectiveness of the design of the internal control system and the methodology carried out by the internal auditor and the conclusion reached by him that the design of the internal control system is effective, appropriate and sufficient, with work on continuous development and improvement, the Committee, in light of the above, has no essential comments to the Company's internal control system and believes that the internal control system confirms to a reasonable degree that it was prepared on sound foundations, with the importance of the executive management continuing to develop and improve the internal control system and the oversight mechanism over the Company's operations and activities.

Company Declarations:

- The account records are prepared correctly
- The internal control system was prepared on sound foundations and implemented effectively
- There is little doubt about the Company's ability to continue its activity
- The financial system reflects the integrity of financial data, reports, and systems.

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

The Company is working to implement the corporate governance regulations issued by the Capital Market Authority through a system of corporate governance principles and rules, the bylaws, regulations and statutory regulations related to the nature of the Company's business and activities, internal work regulations and procedures, and the regulations, policies and procedures related to the Board of Directors and the Board Committees.

The Board of Directors also approved the Company's governance rules, guided by the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Capital Market Authority, to be consistent with its terms and objectives, without violating the mandatory provisions, with the exception of some articles:

Article number	Paragraph number	Text of article/paragraph	Reasons for non-application
(37)	-	training members of the Board of Directors and executive management	The material is indicative, and the Company's management is considering the extent of the need for training programs for senior executives
(67)	-	Forming a risk management Committee	Indicative article The Board of Directors assigned the powers of the Risk Management Committee to the Audit Committee, noting that the Company continuously reviews its policies related to risk management and submits a report thereon to the Board of Directors on an annual basis
(69)	-	Risk Management Committee meetings	
(73)		Forming an internal audit unit or department	The article is indicative, and the Company relies on external sources to perform internal control tasks which in turn creates an internal audit plan , and submits its reports to the Audit Committee
(82)		Motivating employees	Indicative article
(92)		Formation of a corporate governance Committee	The article is indicative, and the Board of Directors assigned the powers of the Governance Committee to the Remuneration and Nominations Committee to develop, implement and amend the governance rules when needed

There is no punishment, penalty, precautionary measure, or precautionary restriction imposed on the Company by the Authority or any other supervisory, regulatory, or judicial body.

Measures taken by the Board of Directors to inform its members of shareholders' proposals and comments regarding the Company and its performance:

The Company's bylaws guarantee to shareholders all rights related to the share, and they have the right to inquire and request information in a way that does not harm the Company's interests and does not contradict the financial market system and its executive regulations. The Company also receives all suggestions and observations from its shareholders via e-mail, phone call, and through the general assembly meeting. The Board of Directors shall be notified of a summary of these suggestions or observations, if any.

Selecting the Company's chartered accountant:

The Fifty-Third Ordinary General Assembly, which was held on 05/28/2023 AD, decided to nominate and select Messrs./ Dr. Muhammad Al-Omari & Partners Company (BDO) from among the nominated offices based on the recommendation of the Audit Committee to be auditors of the Company's accounts in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2023 AD and for the first quarter of the fiscal year 2024 AD.

The Audit Committee's recommendation to nominate an auditor for the Company's accounts will be presented to the Ordinary General Assembly, on the date of its meeting during the year 2024, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 and for the first quarter of the fiscal year 2025. The General Assembly may approve the recommendation or appoint another auditor or more.

Accounting standards applied in the Company:

The consolidated financial statements of the group and the independent financial statements of the group's subsidiaries were prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization of Auditors and Accountants. All of these financial statements were audited in accordance with international auditing standards, and the auditor issued an unqualified opinion regarding each of them, with reference to full compliance with the standards for financial reporting approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants.










General assemblies of shareholders during the year 2023 AD:

During the year 2023, the Company held one general assembly as follows:

1. Ordinary General Assembly (53) held on 05/28/2023 AD:

This is the assembly in which the Board of Directors' report for the fiscal year ending on 12/31/2022 was reviewed and discussed, the Company's auditor's report for the fiscal year ending on 31/12/2022 was approved. Moreover, the financial statements for the fiscal year ending on 31/12/2022AD were reviewed and discussed. The discharge of the members of the Board of Directors for the fiscal year ending on 31/12/2022AD was also approved together with the appointment of Messrs. Dr. Muhammad Al-Omari & Partners Company (BDO) as auditor of the Company's accounts from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2023 AD, and the first quarter of the fiscal year 2024 AD, determining the fees, and approving the authorization of the Board of Directors with the authority of the Ordinary General Assembly with the license contained in Paragraph (1) of Article (27) of the Companies Act for a period of one year from the date of approval by the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier. In accordance with the conditions contained in the executive regulations of the Companies Act for Listed Joint Stock Companies.

Names of Board of Directors members attending the general assemblies during the year 2023:

Board member name	Attendance Record
	Ordinary General Assembly meeting No. (53) held on 2023/05/28
Abdul Aziz Mohammed Abdo Yamani	
Hussein Ali Shobokshi	
Suleiman Ibrahim Al-Hadithi	
Abdullah Ibrahim Al-Howaish	
Mansour Abdulaziz Al-Busaili	
Omar Abdullah Jafri	
Faisal Mohammed Shaker	
Amr Mohamed Kamel	
Saad Abdulaziz Nasser Al-Khalb	

The number of Company requests for the shareholders' register, the dates and reasons for those requests:

The company's requests for the shareholders' register	The Date of Application (G)	Reasons for request
1	2023/03/31	Company procedures
2	2023/05/28	Attending the Ordinary General Assembly No. (53)
3	2023/12/31	Other

Company social contributions:

The Company provided comprehensive sponsorship and donated to the families of prisoners, and agreed with a number of institutes to provide training programs in various fields targeting university students and others. It donated to the Sanabel Al-Khair project of the Al-Bir Society, which is divided into many training programs. It also sponsored the Mish-

BOD thanks and appreciation:

The Chairman and members of the Board of Directors extend their thanks and appreciation to all of the Company's shareholders, customers, suppliers, and advisors for their efforts and cooperation. The Board expresses its appreciation to the employees of the Company and its subsidiaries, and all parties with which it has a working relationship, for the efforts they have made and constructive cooperation with the Company during the fiscal year 2023. The Board looks forward to the advancement of the Company's performance over the next year and the coming years to achieve the aspirations of its shareholders, God willing.

Allah is the Grantor of success,,,

Board of Directors



Board of Directors Report For the fiscal year 2023



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