



شركة العبد اللطيف للاستثمار الصناعي
Al Abdullatif Industrial Investment Co.

BOARD OF DIRECTORS REPORT FOR THE FISCAL YEAR **2023**

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Chairman's Statement



Dear Shareholders,

Statement by the Chairman of the Board

Dear Shareholders:

Greetings:

We present to you our annual report for the past year 2023, where Al-Abdullatif Industrial Investment Company continued its work according to the foundations and international competitive standards, and committed to its mission to the quality that customers aspire to, and the responsibility that society seeks to. Hence, it will suit the requirements of the project and individual sectors. Where this goal must be met despite the repercussions, crises, increased production costs and the inability of markets to accept those increases in a timely manner the company has made some expansions and changes in production lines by adding modern machines that keep pace with the remarkable development and strive to satisfy the consumer. Although the carpet and rug sector is still suffering from stagnation, but this did not prevent us from achieving our aspirations and upgrading the carpet and rug industry so that the Kingdom remains in the leadership of developed countries in this industry in the Middle East and Africa, keeping pace with the Kingdom's vision 2030 will have an impact on economic development.

I can only express my sincere thanks and gratitude to our wise leadership, to the Chairman and members of the Board of Directors, and to the employees of the company for their efforts in the service of our country and the citizen.

Chairman of the Board of Directors
Suleiman Omar Al-Abdullatif

Vision

To remain as an advanced company adhering the best systems and practices to achieve continuous growth and efficiency in its work field. Hence, the company's vision is reflecting on enhancing the confidence and interest of the parties concerned.

Mission

Basic: State of vertical integration in means of production.
Humanity: Creating an attractive and enjoyable work environment that helps individuals unlock their full abilities and develop national competencies in management and operation.
Economic: Ability to produce large quantities at high speed in short time, high quality, and new product development constantly.
Finance: increase the company's revenues to benefit the investors as well as improving performance standards and hard work to reduce risk.

Objectives

Al- Abdullatif Industrial Investment Company aims to achieve a variety of goals at the economic, social, national, and humanitarian levels. These objectives include enhancing the company's contribution to achieving the lofty goals of the Kingdom's Vision 2030, the most important of which is increasing the contribution of the private sector to non-oil GDP. What the company aims to achieve is the optimal use of resources, whether material resources, human resources, or capital to achieve survival, viability, and growth. The company also aims to grow shareholder returns by increasing sales by earning the trust of new customers, retaining the trust of the existing ones, and expanding sales channels. This is in addition to improving and innovating production technologies that contribute to reducing production costs to reach a competitive production cost that meets the needs of the market and the consumer while maintaining the high level of quality of its products.

Company overview



Al Abdul Latif Industrial Investment Company is a Saudi corporation company listed in the Saudi Capital Market Stock Exchange. The company is managed in a professional manner. It is specialized in manufacturing carpets, rugs, and medium products such as yarns (polyester yarns, acrylic yarns, polypropylene yarns, nylon yarns). It also produces and sales these products along with producing colored dyes, paper tubes, and blankets. The company owns modern and integrated production lines and has highly skilled employees and extensive experience in this field. AL-Abdul Latif Industrial Investment Company is a limited liability company under the name "Saudi Carpet Factory", and it was transformed in 2007 into a Listed Corporation company.



The Board Members



1 Mr. Suleiman Omar Al-Abdullatif
Head of Management Board

2 Mr. Majed Abdulrahman Al-Osailan
Vice Chairman

3 Mr. Abdullatif Omar Al-Abdullatif
Managing Director

4 Eng. Samir Mahmoud Haddad
Member of the Board of Directors

5 Mr. Fahad Omar Al-Abdullatif
Member of the Board of Directors

6 Mr. Mohammad Hamdan Alsorayai
Member of the Board of Directors

7 Mr. Hisham Abdul Rahman Al-Askari
Member of the Board of Directors





1 CHAPTER ONE

ACTIVITY, PLANNING AND
PERFORMANCE.

The company and subsiders companies Activities

The main activities of the company are focused on carpet production, pieces of carpet, prayer carpets, production of carpet-making yarns, importing and operating radiated equipment related to the company's factories. The activities of subsidiaries are in yarn and cotton preparation, yarn, and industrial yarn preparation such as nylon and Dylon, and textile weaving from industrial yarns such as nylon. (nylon and polyester), cutting and detailing sheets, pillowcases, mattresses and quilts, blankets, and travel carpets industry, dyeing materials industry, coloring and industrial and natural tanning, paper making and corrugated cardboard (carton), paper cylinder casings industry, carpet industry including (prayer and travel rugs), wicket industry, training through training centers, public construction of residential buildings.

Company's name	Its main activity	Place of the main store	Place of establishing	Percentage of Holding %	Affiliate capital
National Spinning Company	Spinning and preparation of cotton, spinning and preparation of industrial yarns such as nylon and Dillon	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	30,000,000
Eastern Textile Company	Spinning and preparation of industrial yarns such as nylon and Dillon weaving textiles from industrial yarns such as nylon	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	20,000,000
Western Textile Company	Spinning and preparation of industrial yarns, including (nylon and Dillon)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	16,500,000
Adfa Blanket Company	Cutting of sheets, pillowcases, bedspreads, quilts, pillows, making blankets and travel rugs	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	20,000,000
Nadeen Arabia Colour Company	Manufacture of dyeing materials, colouring, and industrial and natural tanning	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	4,000,000
Shahd Paper Tube Factory	Manufacture of corrugated paper and paperboard (cardboard), manufacture of paper cylinder covers	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	1,300,000
First Carpet Company	Carpet manufacturing, including (prayer and travel rugs), and rug manufacturing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	20,000,000
Al Abdullatif Training Institute	Training Centres	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	100,000
Retaj Al Waseel Company for Services	General construction of residential buildings	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	100%	2,000,000

The company carries out these activities through its factories and subsidiaries which it owns 100%, and the company has not established any commercial entity outside the Kingdom of Saudi Arabia. These are limited liability companies, and these subsidiaries did not issue any shares, debt documents during the year.

The Company's Overall Performance 2023

The responsibility of the company's executive management, board of directors and committees to emphasize the management of activities, operations and performance control in a manner that contributes to ensuring the achievement of objectives and the interests of shareholders. The economic conditions and conflicts in the world have overshadowed the growth rates and consumption pattern in most countries and therefore the production costs and sales growth have been adversely affected.

Al-Abdul Latif Industrial Investment Company, like other industrial companies in the kingdom, is committed to increasing public awareness of the role of non-financial standards in evaluating the performance of companies and improving their reputation and increasing their role in strengthening and diversifying the Kingdom's economic structure as it is generally linked to the application of governance, transparency, the development of human resources and the adoption of social responsibility programmes . Hence, the company is committed to applying governance mechanisms, tariffs for some imported raw materials. Bearing in mind the fact that the Kingdom's Government is putting in consideration the importance of the industrial sector, including manufacturing and industries that give added value to the Saudi-origin product.



Company's Strategy

The Board of Directors directed that the Group's overall strategy be reviewed to include studying the current situation, reducing the sustainability of accumulated losses, increasing growth and performance rates, and positively reflecting the outcomes of the Group's major activities over the coming years. And that will be by working directly with the Executive Department to reformulate marketing strategies and plans aimed at developing the Group, enhancing its position in the local and international markets, and achieving its objectives, and upgrading the performance and aspirations of investors and customers and taking advantage of opportunities within the Kingdom Vision 2030 initiatives and strategies.

The Board of Directors was entrusted with the tasks of following up and formulating the strategy of the Strategic Committee formed by the Board and appointing its members and functions by focusing on the Group's performance analysis, examining the causes of accumulated losses and finding strategic solutions to enable the Group to reduce the continuity of losses and the transformation of profitability and propose plans under the direct supervision of the Board of Directors.

The Strategic Committee began its tasks by reviewing the various reports and reviewing the performance of the sectors and their need for resources, competencies, and support services. Several preliminary actions were taken per the priorities, and the Group began to attract competencies with expertise in executive management and to hire specialized consultants in the industrial sector. The results of the study the accomplishments achieved and their impact on the group's results will be disclosed with God's permission when the main lines and details of the integrated plan are completed through the performance report and financial statements for the coming periods, which will reflect the change in the operations of the entire work system. Its strategic objectives and growth are defined for all of the Group's activities by monitoring the pattern of business movements and objectives related to strategic interests, focusing on the added value and long-term achievement of supply chains and sustainability, and automating certain processes to improve operational efficiency, reduce costs, support innovation and lead change in the sector.

Expansion in international markets

Based on the information mentioned in the item above, the company plans to expand the international markets regarding the final products. In this regard, the company has implemented several strategies that will develop thoughtful marketing and sales strategies allowing the company to expand its business outside the Kingdom:

- Market penetration Strategy
- Competitive Products Strategy
- Developing the product Strategy

The quality of products:

The company started over the past two years beyond has begun updating and replacing machines and developing several of them to keep pace with the requirements of the markets. This strategy is a modest start consistent with the current market situation. However, the company plans to develop the company's machinery and equipment technology in general, which is a strategic goal whereby the management of the company must increase its interest in quality standards in the production of the product. Thereby, it is contributing to the technical development using the recent technology in the carpet industry, rugs, blankets, and raw material production in a way that ensures the opportunity to launch in local and export markets.

Continuous communication with key clients:

The company realized since the beginning of its founding that one of the keys to success lies in creating effective channels for continuous communication with the company's customers or potential customers, which resulted an interactive database that enables the company to follow up on all sale processes, and to respond to the customers' requirements immediately. Which reflected in the development of the product and support services. The company's management realize that its local sales are conducted through a limited number of top customers (the major distributors) without having to rely on local sales through exhibitions. A policy that has proved successful over the years and has been a tool for marketing the products without entering the circle of direct supply to customers. However, the company is planning to attract clients opening of Gulf, Arab and international markets has become an urgent necessity in the next phase.

Continuous presence in exhibitions:

The company's strategy in the upcoming years includes presence and participation in local, Arab, and international exhibitions to share experiences and develop productive capabilities that will develop the company's productions. And that will be side to side with maintaining international quality using contemporary technical methods. From a marketing point of view, this strategy seems truly relevant, as there is a great attraction between the two sides of the equation, including acquiring new customers and sustainability of existing customers.

Application of flexible company system

What we mean by flexibility is the ability to respond to facts and deal with variables effectively and more creatively. The company's flexibility is centered around speed of implementation and adaptability, that is, the company has to be bold to take steps towards change, and to be able to take new steps. The market does not present opportunities all the time, and the opportunities themselves are ephemeral. Hence, AL-Abdul Latif Industrial Investment Company's success strategies are highlighted as never convincing of its success, believing that there is always better, and that there is still something it can offer to customers. These continuous improvements do not depend on a particular matter or area. Although, the improvement procedures are continuous, and many of them can take considerable time and effort, but it always resulted a leading company and sustainable customers.

Strategy of expansion in production lines:

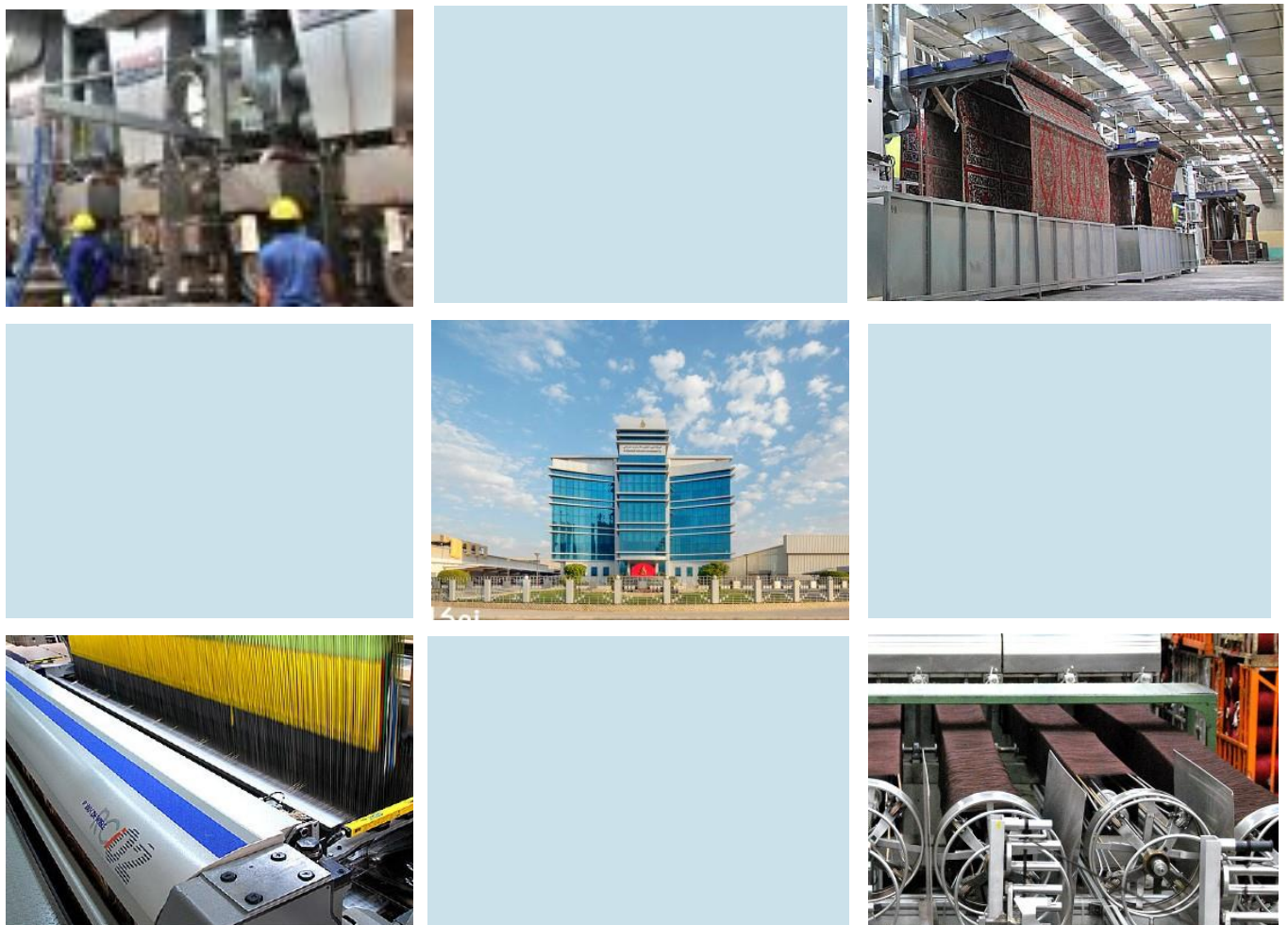
The company has adopted a cautious and progressive expansion policy consistent with the movement of the market. The Board of Directors has therefore decided to approve the recommendation of the Executive Committee to make expansions in the company and several subsidiaries (First Carpet Company, Western Textile Company, Adfa Blankets Company, Al-Abdul Latif Industrial Investment Company) and commenced its commercial production and production returns.



Expectations

The global economy experienced different scenarios in 2023 under overlapping effects, notably, the political uncertainty and its implications, besides the recovery movement that slowed down in 2023. Therefore, we can notice the "uncertainty" mode which imposed constantly.

However, many countries are working on fiscal and economic policies to avoid reaching a decline in global economic growth. Yet, in Saudi Arabia the budget deficit is expected to decrease, giving the hope to increase government spending, and with it the economic movement in general recovers. Al Abdul Latif Industrial Investment Company is one of the companies of the industrial investment sector which depends on the domestic market on one hand and the global market on the other due to its high export potential. Which was clearly reflected in the income list of the company's estimated budget for 2023, where the company's revenues are expected to increase during the fiscal year 2023 at an estimated rate of 4%, and hoped that the company will achieve annual profits, God willing. As these expected results do not satisfy the executive management, it is doing its best in adopting policies and mechanisms to make sustainable profits. Hence, the executive management has updated the objectives and strategies and made many decisions. Some of these decisions, to name not a few, are increasing the number of products sold, looking for new markets for products, reducing expenses, developing products to the highest specifications . . . etc. All with the aim of making changes for the better in the future.



Potential Risks

Certainly, the cost of addressing problems and losses is usually greater than the cost of establishing a risk management department for the company. Since the acceleration of Risk management work is an essential element of risk management, the Company has established the Internal Risk Unit, as well as through its Board of Directors and subcommittees established the Risk Management, Governance and Commitment Committee. A third party has been engaged from outside to undertake a risk assessment for all the Company's departments for the past two years. The potential risks of each section have been identified and the guidance for solutions is being worked out by each section to avoid these risks. The statistics indicate that companies that have established risk management units have protected themselves by 86% compared with other companies that have neglected their importance. The risk management unit of the company is therefore responsible for identifying, measuring, and assessing risks and thus determining how to deal with them, there are several methodologies for dealing with risks, including but not limited to:

1. Risk avoidance: an unparalleled wisdom, for example: if we know that entering a particular market will have extraordinarily complex systems and regulations, it would be wise to avoid such a market and seek a better alternative market.
2. Risk mitigation: If there is an unravished risk, it makes sense to mitigate it, for example, cyberattacks on data are a constant threat, but through cybersecurity preventions, data can be secured as far as possible as well as preparing backup security copies of that data.
- 3- Risk referral: For example, referral of a fire hazard risk by making a fire insurance policy or can be referred to the insurance company by establishing an insurance policy.

The risks below represent those that the company faces or may face in the future. The risks described below do not include all the risks that the company may face, but rather it is possible that there are additional risks that are not currently known to the company, or that the company may consider as non-substantial:

Strategic risks:

It is the sum of changes that occur suddenly in the market and affect the functioning of the company, such as the emergence of a new competitor in the market, a change in customer demand ratios, successive technological changes, higher raw material costs, or other significant changes.

Risks related to regulations and laws.

The management of a company's business is governed by various regulations and laws and any change in it or replacement by new, firm, and strict regulations from any Government, supervisory authority or judicial authority or orders to suspend the company's business or to suspend the company's products or some of them may affect the company's business and revenue.

Operational activity risks

Operational risks mean the possibility of unexpected disruption in a company's day-to-day operations, which may be a technical failure, such as a failure of an equipment, and an operational risk generally caused by technical persons or operations, sometimes an out-of-control operational risk, such as an overall power outage or any other power source.

Financial risks:

Financial risk refers to money flowing in and out of a company's business, the potential for sudden financial loss, and the presence of many debts also increases financial risk.

Reputation risks:

The reputation of a business is its capital, the reputation of a company may be damaged, and the confidence of customers and employees in the company, or even suppliers and investors, is affected, leading to lower sales.

Economic risks

The global economic situation will have a direct impact on the future business of the company, including changes in market performance, particularly with declining domestic and global demand, deflated market liquidity and high financing costs, increased industrial stagnation, competition from the State and offshore industrial companies, technical development, prices of the company's final inputs and products, inflation, political and diplomatic events that will have an impact on corporate markets, volatility of exchange rates and alternatives to products that will have an impact on the company's markets.

Risks of staff turnover:

The increase of staff turnovers creates big loss to the companies as it affects the production and leads to increase the payments regard hiring and training. When the qualified well-trained employees leave, the risk of exposing the company's critical information is possible and this risk is higher when competitive companies take advantage.

Risks related to Raw Materials.

In the absence of an abundance of raw materials, a halt to their supply for any economic reasons or government orders, or a lack of availability due to cosmic disasters or any force majeure, they will have an impact on the company's business and revenues.

Export market risks

The company's earnings from the export market are subject to the abundance of external markets that absorb the company's products, and any changes in policy positions between Governments, export bans or exchange rate fluctuations can affect the company's business and earnings in this market.

Risks of focusing on certain clients

The company's products cover a wide cross-section of customers. Thankfully, of this large segment, 10 are led by customers whose purchase value accounts for about 62% to the company's sales.

Geographical location risks

The risks related to the company's geographical location and cosmic disasters. All the company's business is concentrated in the second industrial city of Riyadh. Any directives to suspend the company's business on the site or any global disaster on the site, such as floods or earthquakes, would have an impact on the company's business and revenue.

Investment risks

These are the risks that arise because of upward and downward trends in the capital market because of many of the causes affecting expected cash flows and the required rate of return on investment, bearing in mind that each investment opportunity carries some risk, and that these risks exist to varying degrees depending on the type of investment.

Financial position of clients

A number of clients suffer from a shortage of cash and demand more credit facilities, as a number are linked to insurance companies and banks, which continuously reduce their credit ceiling under current conditions. The company faces some difficulties in collecting debt from some customers as a result of scarce liquidity under current conditions.

Debt Collection risk:

The company faces some difficulties in collecting debt from some customers because of scarce liquidity, with several clients demanding increased credit facilities under current conditions.

Social Responsibility

To promote the concept of social responsibility and to establish the principle of community service, the company believes in the importance of participation in social development through projects and programmes to achieve public benefits for the community. It also believes in the importance of participating to attract people with special needs to the job field by providing appropriate jobs suitable to their abilities and qualifications. The company also contributes to the service of society by taking care of train and developing the skills of Saudi Arabian youth, as well as training and employing national workers. Therefore, the company recruited (2) Saudi employees on the owners of the facility and loaned them to the Ministry of Human Resources to assist the Ministry in carrying out its work and reduce its financial burden for two renewable years. It also adheres to occupational safety standards. The company also plays its primary role in supporting the productive base of the national economy and adding value to national products. The company also has clear plans for operational and commercial processes, capital exploitation and development of domestic and global investments over the coming years. The company continues to evaluate real estate investment opportunities and invest in local companies that are not listed for a premium shareholder return. Here, it is worth mentioning the company's contribution to the Association for Advocacy, Guidance, and Immigrants Awareness at in the New Industrial City in Riyadh, The company has emphasized its social responsibility role.

The company has plans to introduce several social responsibility initiatives under the umbrella of some government departments.



HR and Training

Human resources are the beating heart of any company, and are a key element in the management process, as the effectiveness of the company in achieving its goal depends to a large extent on the performance of its human resources. Human resource management is one of the distinctive sub-fields within the field of general management, which many believe is the key to the success of the company.

At Al-Abdul Latif Industrial Investment Company, human resources management performs in addition to its main tasks of deepening the basic concepts of human resources management. It also covers job design, analysis, classification and evaluation, human resource planning and recruitment, training, and job performance evaluation. Promotion, transfer, secondment, assignment, financial compensation, additional benefits, leave, discipline and termination. As the human element is one of the most important pillars of our company, we have continued to pay attention this year to the measurement of the organizational health index, to develop an applied road map that helps to increase and improve the work environment.

The results of this indicator contributed to the identification of a set of objectives that our company seeks to achieve during the year 2023, such as the development of some of the policies and procedures followed to improve job awareness and increase professionalism at work, to contribute to enhancing communication between different groups and departments and create a sense of intimacy and belonging among employees.

Attention continued to provide job opportunities for national cadres without interruption, in order to complete the implementation and achievement of the annual objectives of Al-Abdul Latif Industrial Investment Company and our belief that all the objectives of the strategic plan will be achieved without impact, which resulted in a high rate of Job localization in the company.

The Company's Dividend Policy

The annual net profits of the company are distributed after deducting the general expenses and other costs, as the following below:

1. Reserving (10%) of net profits as regulative reserve. the ordinary assembly general has the right to stop this reservation when this reserve reaches (30%) of the paid capital.
2. 2- As per a proposal from the board of directors, the ordinary assembly general has the right to reserve a percentage not more than (20%) of net profits as agreeable reserve for certain purposes.
3. After that, the rest should be distributed to shareholders with a percentage not less than (1%) of the paid capital.
4. Taking into consideration article (76) of the companies' regulations, after the above mentioned, a percentage not more than (5%) should be assigned as reward for members of board of directors with a maximum rate of one hundred thousand Saudi riyal for each member against his membership in the board of directors, due to reward should be consistent with number of meetings attended by the member.
5. The shareholder earns his portion of profits according to the general assembly decision issued in this matter in which due date and date of distribution are explained. Profits eligibility for share owners registered in the company's registers will be at the end of due date.
6. The company has the right to distribute interim profits to the shareholder on half yearly or quarterly basis, after authorizing the general assembly to the board of directors to distribute interim profits as per an annually renewed decision.
7. The remain of profits should be distributed to the shareholder as an additional portion of profits or to be transferred to the account of remained profits.

Dividends Distributing

During the fiscal year 2023, the company did not distribute profits to the company's shareholders, due to the lack of profits for this year. As shown in the company's financial statements. Hence, the Board will present this recommendation to the company's next general assembly for approval.

Dividends Distribution Date

The Board of Directors must implement the decision of the General Assembly regarding the distribution of profits to registered shareholders within (15) days from the due date of these profits specified in the decision of the General Assembly, or in the decision of the Board of Directors to distribute interim dividends.

None-Dividends Distributing

In case of no dividends are distributed for any financial year, then no dividends will take place for the following years except after paying the percentage referred to in this system to the holders of preferred shares for that year. If the company fails to pay this percentage of the profits for three consecutive years. So, the special assembly of owners of these shares held in accordance with the provisions of Article (86) of the Companies Law may decide either that they attend the meetings of the company's general assembly and participate in voting, or they appoint representatives to the board of directors in proportion to the value of their shares in the capital, until the company is able to pay the full priority dividends assigned to the owners These stocks are in previous years





2 CHAPTER TWO

**DISCLOSURE AND
GOVERNANCE REQUIREMENTS.**

Board of Directors Declarations

The Board of Directors declares the following:

- The account records were properly prepared.
- The internal control system was well-founded and effectively implemented.
- There is no doubt about the company's ability to continue its activity.
- There is no penalty, sanction, precautionary measure, or reserve imposed on the company by the competent authority or by any other supervisory, regulatory, or judicial authority.
- The company has an internal audit, and there's no recommendation from the audit committee about him.
- There is no contradiction between the Audit Committee's recommendations and the board of directors' decisions. The Audit Committee's recommendation of appointing the company's auditor and determining his fees which amounted to (850,000)riyals for fiscal year 2023 has also been considered.
- The consolidated financial statements of the company were prepared during 2023 in accordance with the terms approved by the Saudi Commission of Chartered Accountants.
- The company did not issue or grant any convertible debt instruments, contractual securities, protective rights, or similar rights during fiscal year 2023.
- The company has not issued or granted any transfer or acquisition rights under any convertible debt instruments, contractual securities, guarantees or similar rights.

Other Disclosures

- None of the members of the Board of Directors acquire any loans, nor the company guarantees any of them in returning a loan. The company has no commitment of any kind during the fiscal year 2023.
- There are no investments or other reserves created for the benefit of the Company's employees.
- There is no recommendation from the Board of Directors to replace the chartered accountant before the expiry of the period for which he was appointed.
- During the year, the Board of Directors did not sell or mortgage any of the company's real estate.
- The disclosures of contingent liabilities at the date of the consolidated financial statements and the amounts of revenues and expenses declared during the reporting year, are based on the best information available to management about current operations and events.
- There is no subsidiary of Al-Abdul Latif Industrial Investment Company that has issued shares or debt instruments.
- The company has no treasury shares held.
- There are no distributions made by the company during the fiscal year 2023.
- There are no debt instruments that are convertible into shares, rights, records of subscription rights or similar rights. There are no rights of conversion or subscription under debt instruments that are convertible into shares, rights, records of subscription rights or similar rights issued or granted by the company during the fiscal year 2023. And there is no refund, purchase or cancellation by the company or its subsidiaries of any redeemable debt instruments during the year 2023.
- The company has not received any notification or communication from people who have an interest in the class of shares entitled to vote under Article (45) of the registration and listing rules stating their ownership in the company's shares.
- The Chairman of the Board of Directors (Mr. Suleiman bin Omar Al-Abdul Latif), the Managing Director (CEO) (Mr. Abdullatif bin Omar Al-Abdul Latif) and the Executive Vice President (Mr. Fahd bin Omar Al-Abdul Latif) did not receive any remuneration or allowances for attending meetings nor for their membership in the Board of Directors for its current session. Contrastingly,

three members of the Board of Directors got paid for their membership bonuses for the fiscal year 2022 which been disbursed in the fiscal year 2023. They also paid allowances to attend meetings of board and the committees, and they are (Mr./Majid bin Abdul Rahman Al-Osailan and Eng./ Mohammad bin Hamdan Al-Sorayai, and Mr. Hisham bin Abdul Rahman Al-Askar).

- None of the Executive Board Members or Senior Executives has waived any salary. Bearing in mind that there are no arrangements or agreements under which one of the company's shareholders would waive its profits rights.

Disclosure and Transparency

Transparency, accuracy, and timeliness of disclosure of information are the foundations of corporate governance, and Al-Abdul Al-Latif Industrial Investment Company has developed a policy of transparency and disclosure in accordance with the requirements of the Financial Market Authority and the Corporate System.

Disclosure policies and procedures :

- The Company shall inform the Financial Market Authority and the public without delay of any significant developments within the framework of its activity and its knowledge. And it is not available without the terms of the registration and listing rules.
- The Company shall prepare and disclose the full financial statements and the related explanations, in accordance with the Kingdom's accounting standards, in accordance with the rules of registration and listing, so that the shareholders can assess the company's performance as the following:
 1. The company shall provide the Financial Market Authority with the initial financial statements immediately after they are approved and announced to shareholders during the prescribed regular period.
 2. The Company shall provide the Financial Market Authority with the annual financial statements and the Board of Directors' report upon their adoption and shall make them public to shareholders during the prescribed regular period.
 3. The Company shall publish through its website the initial and annual financial statements and the report of the Board of Directors after it has been disclosed to the Financial Market Authority and the shareholders.

Disclosure of essential information

The Company has developed a set of procedures for the disclosure of essential information, namely:

- Regulatory declarations draft is prepared and drafted in accordance with the requirements of the Financial Market Authority.
- Announcements and news draft is presented to the CEO and other senior executives and authorized staff and may also be circulated to the board members for their views on occasion if the CEO deems it necessary.
- These advertisements are posted on the Financial Market (Tadawul) website, and then on the daily newspapers (as the case may be) to ensure their wide dissemination.

Disclosure of financial information

The Board of Directors shall approve the initial and annual financial statements of the Company and shall be signed by an authorized member of the Board of Directors, the Chief Executive and the Director of Finance and accounting and distribute them to shareholders and others. All mandatory advertisements are in accordance with the requirements of the Financial Market Authority's advertising regulations before they are published.

The Board of Directors' report disclosure

The Company shall disclose all important information and publish the full annual report containing the requirements of the Financial Market Authority, which shall include the following:

- If the provisions of the Financial Market Authority's Corporate Governance Regulation not applied and provide the reasons for not applying.
- Names of participating companies whose boards of directors are member in the company.
- The Board of Directors and the classification of its members shall be as the following: (Executive Board Member, Non-Executive Board Member, Independent Board Member)
- A brief description of the terms of reference of the main board committees and their functions, such as the Audit Committee, the Nominations and Rewards Committee, including the names of these committees, their chairmen, their members, and the number of meetings.
- Details about the rewards and compensation paid to all members of the Board of Directors and five senior executives who received the highest awards and compensations from the company, adding to them the Chief Executive and the Finance Director if they aren't included.
- Any penalty or sanction imposed on the company by the authority or by any other supervisory, regulatory, or judicial authority.
- Results of the annual audit of the effectiveness of the company's internal control procedures.

Disclosure to Regulatory Authorities

The company shall immediately inform the authority and announce on the Tadawul website (and as the case requirements may require) all the legal specified in the laws and regulations such as:

- Any changes in the structure of the Board of Directors (resignation, appointment, or classification).
- Any changes in the structure of the company's committees.
- Any changes in the executive management including the CEO and CFO.
- Any significant developments listed under the company's framework and are not available

The Annual Audit results of the effectiveness of the Company's Internal Control Procedures

The Executive Department of AL Abdel Latif Industrial Investment Company is responsible for designing and maintaining an appropriate internal control system through the supervision of the company's board of directors. The system is designed to deal adequately with risks that may lead to a failure in achieving the strategic and operational objectives of the company. The Executive Department of the company has adopted an integrated and appropriate internal control system that is consistent with the provision regulations of Corporate Governance issued by the Board of the Capital Market Authority and in accordance with the established global standards of corporate governance.

The following are the main components of the company's internal control system:

- The company completes, approves, and continues developing the overall governance framework through developed and updated appropriate oversight tools, including the Board of Directors, its committees and other management committees,
- Monitoring the company's business in general and make important decisions through committees set up to ensure the proper functioning of the company in order to protect and maintain the quality of the company's assets.
- Internal audit controls the adequacy of and compliance with company controls and prepares a presentation illustrating focus and development.
- The company has a set of policies and procedures governing the operation of the company's various activities. These policies and procedures are periodically reviewed to verify their adequacy, efficiency, and relevance to the company's activities.
- Most of the company's operations are automated through many automated systems, which help reduce errors and opportunities for fraud.
- The existence of an audit committee to oversee the work of internal and external auditors, thereby enhancing their independence. This action is periodically and regularly reported the departmental audit outputs and activities.
- The adequacy the internal control system is reviewed on an ongoing basis by the internal audit in accordance with an annual plan approved by the audit committee and certain aspects of internal control are periodically reviewed through the external auditors of the company.

Confirmation and annual declarations of senior management regarding internal control for the fiscal year ending on 12/31/2023.

During 2023, Al Abdel Latif Industrial Investment Company made tremendous efforts to ensure the adequacy and effectiveness of the internal control system, in line with the requirements issued and in conformity with the provisions of the Regulation on Corporate Governance of the Capital Market Authority, and in accordance with the international standards of corporate governance. The activities carried out during 2023, which included an audit of the efficiency of the internal control system, have contributed to providing reasonable assurance of the appropriateness of regulatory controls.

- The integrity and effectiveness of the internal control system applied within the control system.
- Addressing internal and external deficiencies and weaknesses to ensure the integrity of the company's interests.

Accordingly, based on the results of the evaluation of the internal control system, AL Abdel Latif Industrial Investment Company has an adequate, properly functioning, and continuously strengthened internal control system. Bearing in mind that no of internal control system, no matter how its designed and effective, can provide absolute assurance.

Governance

What has been applied to the Corporate Governance Regulation provisions, and the reasons behind what has not been applied. The company has already prepared its Regulations, which were approved by the board of directors at its meeting held on 18/09/1434 AH, 27/07/2013. The Company applies all provisions contained in the Governance Regulation of the Capital Market Authority established by Decree No. 08/16/2017 and dated 16/05/1438 corresponding to 13/02/2017, based on the Corporate Regulations issued by Royal Decree No. 3/M and 28/01/1437 as amended by Capital Market Authority Decree No. 08/05/2023 and dated 25/06/1444 corresponding 18/01/2023. Based on the Companies' Law issued under the Royal Decree No.132/M and dated 01/12/1443 except the mentioned below:

Article number	Article/paragraph text	Reasons not to apply
Not applicable guidelines		
	-Article (39) -Article (85)	Guidance articles will be applied when they become mandatory.
Recently implemented mandatory articles		
Article: (21)	Paragraph (1)E – Period audit and approval of the company's organizational and functional structures.	The company has organizational and functional structures and is currently being updated in cooperation with an external consultant.
Article: (24)	Paragraph 6 - Setting performance standards for the executive management in line with the company's goals and strategy.	There is a performance standards policy for the executive management in line with the company's goals and strategy.
Article: (24)	Paragraph 7 - Reviewing and evaluating the performance of the executive management.	There is a policy for reviewing and evaluating the performance of the executive management.
Article: (24)	Paragraph 8 - Setting sequencing plans for the company's management.	There is a policy of sequencing plans for the management of the company.
Article: (35)	Paragraph 9 - Organizing a record of disclosures of the members of the Board of Directors and the Executive Management.	There is a record of disclosures for members of the Board of Directors and Executive Management.
Article: (39)	The company evaluates board members through the Remuneration and Nominations Committee under a prepared and approved form.	There is an annual assessment of members through the Remuneration and Nominations Committee
Article: (70)	There is an internal control system approved by the Board of Directors, and there are risk management policies and procedures approved by the Board.	There is an internal control system approved by the Board of Directors, and there are risk management policies and procedures approved by the Board, and they are currently being updated in cooperation with an external consultant.
Article: (84-85)	Training Saudi employees and qualifying them for the labour market through non-profit institutes and private institutes.	Some social responsibility initiatives include the recruitment of 2 Saudi employees for the Ministry of Human Resources to assist it in its work and reduce its financial burden. The article is still indicative.
Article: (92)	Formation of the corporation governance committee	The Governance Committee has been established and its duties assigned to the Risk Committee to become with the following title (Risk Management, Governance and Compliance Committee).



3 CHAPTER THREE

REPORTS AND FINANCIAL RESULTS.

Auditors' report and financial statements

The Opinion:

We have audited the accompanied financial statements of Al-Abdul Latif Industrial Investment Company - Saudi Joint Stock Company (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows, for the year then ended, and notes (1)to(33) to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2023, and its financial performance and cash flows for the year ending on that date, in accordance with the International Financial Reporting Standard for Small and Medium Enterprises approved in the Kingdom of Saudi Arabia and other approved standards and publications. From the Saudi Organization for Auditors and Accountants.

Bases of the Opinion:

We have audited in accordance with the International Standards on Auditing adopted in the Kingdom of Saudi Arabia. Our responsibility under criteria has been clarified in the Auditor's Responsibilities Section for the audit of consolidated financial statements in our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) adopted in the Kingdom of Saudi Arabia, which is relevant to our audit of the financial statements, and we have also fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key things to Audit:

The main audit matters are those matters which, in our professional judgment, were of material importance in our audit of the consolidated financial statements for the current year. These matters have been dealt with in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on those matters. The following is a description of each of which audited matters and how they should be addressed:

Revenue recognition	
Key Order Audit	How to address the main issue in our review
<p>Revenue verification is considered a major audit matter because revenue is an important element of the Group's performance and results, and because it includes an inherent risk that management may exceed internal control procedures by recognizing revenue in excess of its actual value to achieve objectives or to improve the Group's results.</p> <p>As shown in Note No. (22), for the year ended 31 December 2023, the Group achieved a total revenue of SAR 1 million (2022: SAR 647.50 million).</p>	<p>Our review procedures, based on our judgment, included, among other things, the following:</p> <ul style="list-style-type: none"> • Testing the design of internal control procedures and their effectiveness in relation to the recognition of their revenues and receivables. • Test cutting procedures to ensure revenue is recorded at its correct intervals. • Analytical procedures to understand the reasons for the variance in revenues compared to the previous year and verify their logic and determine whether there are significant fluctuations that need additional examination in light of our understanding of the current market conditions • Detailed tests of a sample of products sold and verification of the proper application of the revenue recognition policy. • Verify the appropriateness of the accounting policy to achieve the Group's revenue in accordance with the requirements of International Report Standard No. (15) Revenue from contracts with customers.
<p>* Refer to Note No. (3/18) in the consolidated financial statements of the accounting policy related to revenues.</p>	

Trade Receivables	
Key Order for Review	How to address the main issue in our review
<p>The collectability of trade receivables is considered a major review as it is a key element of the Group's management of working capital, which is managed on an ongoing basis. Since the determination of the decrease in the value of receivables using expected credit loss models includes important judgments and estimates that may have a material impact on the Group's consolidated financial statements.</p> <p>Management makes substantial judgments, estimates and assumptions to measure and record ECL.</p> <p>As shown in Note No. (10), the total balance of trade receivables as at 31 December 2023 amounted to one million Saudi riyals (2022: 460 million Saudi riyals), and the provision for</p>	<p>Our review procedures, based on our judgment, included, among other things, the following:</p> <ul style="list-style-type: none"> • Test the Group's procedures for controlling receivables, including controls related to credit conditions. • Testing a sample of receivables balances for which a provision was made during the year to determine the appropriateness of the judgments, estimates and assumptions made by the management, and evaluating the methodological methods implemented by the Group to assess the likelihood of default and the extent to which information related to future expectations is included in the calculation of expected credit losses. • Conduct an analysis of significant receivables older than one year for which no provision has been made by Group Management taking into account subsequent period collections to

<p>expected credit losses was formed as at 31 December 2023 at one million Saudi riyals (2022: 23 million Saudi riyals).</p>	<p>determine if there are indications of impairment.</p> <ul style="list-style-type: none"> • Examining arrangements and/ or correspondence with customers' internal and external receivables for the purpose of evaluating the collectability of material amounts that have been due for a significant period of time. • Evaluate the adequacy of the disclosures in the financial statements in accordance with the requirements of International Reporting Standard No. (9) and No. (7) Financial Instruments and Disclosures.
<p>* Refer to Note No. (3/17) in the consolidated financial statements of the accounting policy related to financial instruments.</p>	

Trade Receivables	
Key Order for Review	How to address the main issue in our review
<p>The collectability of trade receivables is considered a major review as it is a key element of the Group's management of working capital, which is managed on an ongoing basis. Since the determination of the decrease in the value of receivables using expected credit loss models includes important judgments and estimates that may have a material impact on the Group's consolidated financial statements.</p> <p>Management makes substantial judgments, estimates and assumptions to measure and record ECL.</p> <p>As shown in Note No. (10), the total balance of trade receivables as at 31 December 2023 amounted to one million Saudi riyals (2022: 460 million Saudi riyals), and the provision for expected credit losses was formed as at 31 December 2023 at one million Saudi riyals (2022: 23 million Saudi riyals).</p>	<p>Our review procedures, based on our judgment, included, among other things, the following:</p> <ul style="list-style-type: none"> • Test the Group's procedures for controlling receivables, including controls related to credit conditions. • Testing a sample of receivables balances for which a provision was made during the year to determine the appropriateness of the judgments, estimates and assumptions made by the management, and evaluating the methodological methods implemented by the Group to assess the likelihood of default and the extent to which information related to future expectations is included in the calculation of expected credit losses. • Conduct an analysis of significant receivables older than one year for which no provision has been made by Group Management taking into account subsequent period collections to determine if there are indications of impairment. • Examining arrangements and/ or correspondence with customers' internal and external receivables for the purpose of evaluating the collectability of material amounts that have been due for a significant period of time. • Evaluate the adequacy of the disclosures in the financial statements in accordance with the requirements of International Reporting

	Standard No. (9) and No. (7) Financial Instruments and Disclosures.
* Refer to Note No. (3/17) in the consolidated financial statements of the accounting policy related to financial instruments.	

Our opinion on the consolidated financial statements does not cover other information, and we do not and will not make any representations about it.

In connection with our audit of the consolidated financial statements, it is our responsibility to read the information described above and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or information obtained by us during the audit or otherwise appears to contain material misstatement.

When we read the other information and we find that there is a fundamental misrepresentation in it, we must inform those in charge of governance of this.

Responsibilities of management and those charged with governance for the financial statements:

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants and the provisions of the Companies Law and the Company's Articles of Association, and for such internal control as management deems necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of consolidated financial lists, management is responsible for assessing the group's ability to survive as a going concern and for disclosing, as appropriate, matters related to continuity and the application of the accounting continuity basis, unless there is an intention to liquidate the group or to suspend its operations or there is no appropriate alternative option.

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

Auditor's responsibilities for auditing the financial statements

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

As part of the review in accordance with the International Standards on Auditing adopted in Saudi Arabia, we exercise professional judgment and maintain professional skepticism during the review. We must also :

Identify the risks of material misstatements in the financial statements, whether due to fraud or error, design and implement audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, because fraud may involve collusion, forgery, intentional omissions, misleading statements, or the override of internal control.

Obtain an understanding of the internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management applying the going concern basis of accounting, based on the audit evidence obtained, whether there is a material uncertainty relating to events or circumstances that may cast significant doubt on the Group's ability to continue to operate on a going concern basis. If we conclude that a material uncertainty exists, we shall draw attention in our report to the relevant disclosures in the consolidated financial statements, or if those disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group ceasing to continue its business on a going concern basis.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the relevant transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the review process for the Group. We remain solely responsible for our opinion on the review.

We have informed those charged with governance regarding, among other things, the planned scope and timing of the audit and significant findings of the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters that have been communicated to those charged with governance, we identify those matters that we considered most important when reviewing the consolidated financial statements for the current period, which are the main audit matters. We explain these matters in our report unless a public disclosure system or regulation prevents the matter, or when we consider, in very rare circumstances, that the matter should not be reported in our report because the adverse consequences of doing so are reasonably expected to outweigh the public interest benefits of such reporting.

Financial results

- The net loss during the 12 months was SAR 74.79 million, compared to SAR 57.87 million for the corresponding period of the previous year 2022.
- The loss per share during the 12 months amounted to SAR -0.92 versus -0.71 for the corresponding period of the previous year 2022.
- The total loss during the 12 months was 10.70 million against the total profit of 7.44 million riyals for the corresponding period of the previous year 2022.
- The 12-month operating loss was SAR 40.34 million versus SAR 32.72 for the corresponding period of the previous year, 2022, an increase of 23.30%.
- Net sales amounted to SAR 522.61 million during the current period compared to SAR 647.50 million for the corresponding period of the previous year 2022, a decrease of 19.29%.
- Total shareholders' equity during the current period amounted to SAR 1201.15 million compared to SAR 1281.48 million, a decrease of 6.27%.
- Some comparison figures have been reclassified to fit the current year's ratings.

The reasons for the decrease in gross profit on business and the increase in the loss of operating profit and net loss for the current year compared to the previous year are higher material costs, increased operating expenses and sales costs attributable to sales, as well as increased funding costs and reduced miscellaneous income. Earnings in total income are also due to earnings from land revaluation.

Retained profits amounted to SAR 126,240 million of capital as at December 31, 2023.

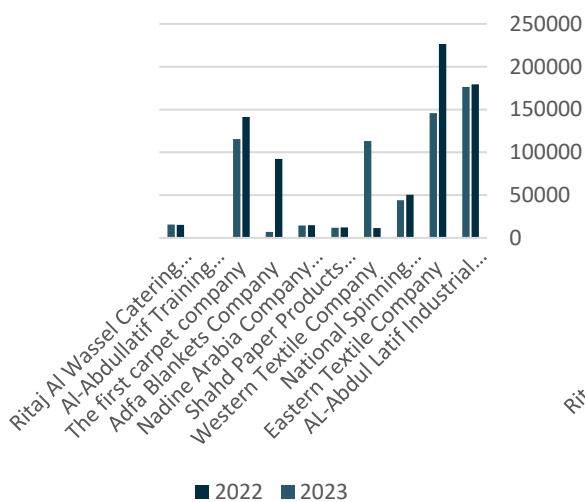


Corporate sales and profit results

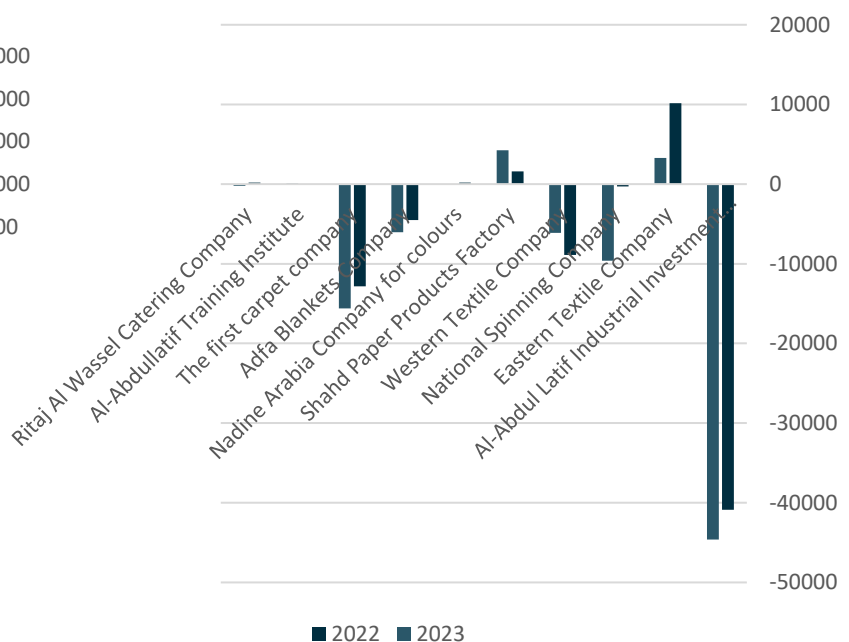
(Thousands of riyals)

Company Name	Sales (including inter-company sales)		Net Profit and loss (After taking out Zakat)		Participation rate of subsidiaries in net profit and loss	Comprehensive income. 2023	Participation rate of subsidiaries in comprehensive income
	2022	2023	2022	2023			
Al-Abdul Latif Industrial Investment Company	179,394	176,586	(40,894)	(44,616)	%60	(48,140)	% 60
Eastern Textile Company	226,482	145,637	10,158	3,281	%-4	2,976	% -4
National Spinning Company	50,417	44,146	(2,850)	(9,617)	% 13	(9,821)	% 12
Western Textile Company	115,770	113,211	(8,907)	(6,139)	% 8	(6,479)	% 8
Shahd Paper Products Factory	12,219	12,009	1,586	4,238	% -6	4,180	% -5
Nadine Arabia Company for colours	14,708	14,573	206	(108)	% 0	(172)	% 0
Adfa Blankets Company	92,351	69,950	(4,504)	(6,053)	% 8	(6,385)	% 8
The first carpet company	141,151	115,286	(12,824)	(15,614)	% 21	(15,878)	% 20
Al-Abdullatif Training Institute	600	600	(16)	62	% 0	60	% 0
Ritaj Al Wassel Catering Company	15,282	15,508	180	(228)	% 0	(669)	% 1
Exclusion of profits from subsidiaries	-	-	-	-	% 0	-	% 0
total	848,374	707,506	(57,866)	(74,794)	% 100	(80,328)	% 100
Inter-company sales are discounted	(200,869)	(184,901)					
net sales to customers	647,505	522,605					

Sales Including sales between companies



Net Sales(loss and Profits) after excluding Zakat



Corporates Profit Results

Company Name	Net profit (After taking out the zakat)		Net Profit Participation Ratio of Subsidiaries	DIFF	%	Comprehensive income.		Percentage of participation of subsidiaries in comprehensive income	DIFF	%
	2022	2023				2022	2023			
Al-Abdul Latif Industrial Investment Company	(40,894)	(44,616)	%٦٠	(3,722)	%٩	205,223	(48,140)	%٦٠	(253,363)	%١٢٣-
Eastern Textile Company	10,158	3,281	%٤-	(6,877)	%٦٨-	9,786	2,976	%٤-	(6,810)	%٧٠-
National Spinning Company	(2,850)	(9,617)	%١٣	(6,767)	%٢٣٧	(2,891)	(9,821)	%١٢	(6,930)	%٢٤٠
Western Textile Company	(8,908)	(6,139)	%٨	2,769	%٣١-	(9,227)	(6,479)	%٨	2,748	%٣٠-
Shahd Paper Products Factory	1,586	4,238	%٦-	2,652	%١٦٧	1,561	4,180	%٥-	2,619	%١٦٨
Nadine Arabia Company for colors	206	(108)	%٠	(314)	%١٥٢-	181	(172)	%٠	(353)	%١٩٥-
Adfa Blankets Company	(4,504)	(6,053)	%٨	(1,549)	%٣٤	(4,921)	(6,385)	%٨	(1,464)	%٣٠
The first carpet company	(12,824)	(15,614)	%٢١	(2,790)	%٢٢	(13,262)	(15,878)	%٢٠	(2,616)	%٢٠
Al Abdullatif Training Institute	(16)	62	%٠	78	%٤٨٨-	(19)	60	%٠	79	%٤١٦-
Retaj Al Wassel Catering Company	180	(228)	%٠	(408)	%٢٢٧-	142	(669)	%١	(811)	%٥٧١-
Exclude profits from subsidiaries	-	-	%٠	-		-	-	%٠	-	
Total	(57,866)	(٧٤,٧٩٤)	%١٠٠	(16,928)	%٢٩	186,573	(80,328)	%١٠٠	266,901	

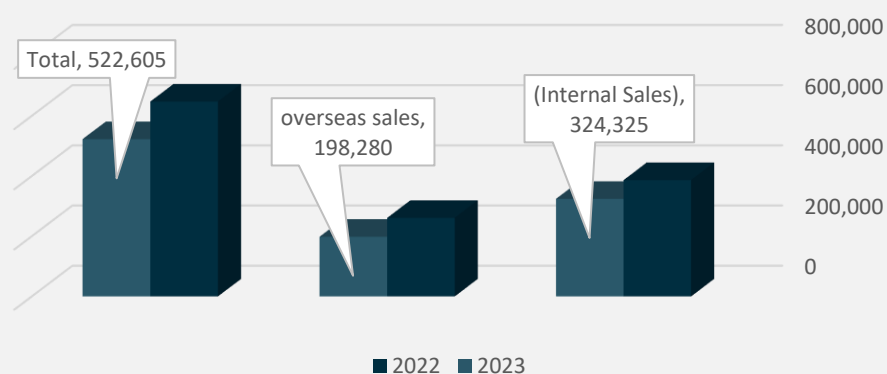
Corporate sales and profit results

Company Name	Sales (including inter-company sales)		DIFF	%
	2022	٢٠٢٣		
Al-Abdul Latif Industrial Investment Company	179,394	١٧٦,٥٨٦	(2,808)	%٢-
Eastern Textile Company	226,482	١٤٥,٦٣٧	(80,845)	%٣٦-
National Spinning Company	50,417	٤٤,١٤٦	(6,271)	%١٢-
Western Textile Company	115,770	١١٣,٢١١	(2,559)	%٢-
Shahd Paper Products Factory	12,219	١٢,٠٠٩	(210)	%٢-
Nadine Arabia Company for colors	14,708	١٤,٥٧٣	(135)	%١-
Adfa Blankets Company	92,351	٦٩,٩٥٠	(22,401)	%٢٤-
The first carpet company	141,151	١١٥,٢٨٦	(25,865)	%١٨-
Al Abdullatif Training Institute	600	٦٠٠	-	%٠
Retaj Al Wasil Catering Company	15,282	١٥,٥٠٨	226	%١
Exclude profits from subsidiaries	-	-	-	-
Total	848,374	٧٠٧,٥٠٦	(140,868)	%١٧-
Intercompany sales are deducted	(200,869)	(١٨٤,٩٠١)	15,968	%٨-
Net sales to customers	647,505	٥٢٢,٦٠٥	(124,900)	%١٩-

Geographical distribution of the Company's Revenues

Particulars	(Thousands of riyals)		
	٢٠٢٢	٢٠٢٣	Ratio of decrease /increase
(Internal Sales)	386.513	٣٢٤,٣٢٥	%١٦-
overseas sales	260.992	١٩٨,٢٨٠	%٢٤-
Total	647.505	٥٢٢,٦٠٥	%١٩-

Geographical Distribution Of the Company's Revenues



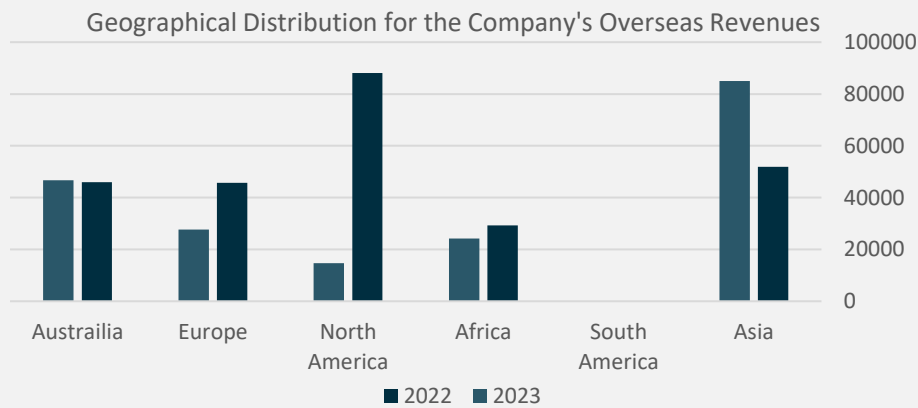
Geographical distribution for the company's overseas sales 2023

The Factory	(Thousands of riyals)						
	Asia	Africa	Europe	North America	South America	Australia	Total
Abdullatif Individual	28,127,206	-	-	-	-	-	28,127,206
First Carpet	11,376,083	-	-	-	-	-	11,376,083
Eastern Textile Company	42,262,835	24,249,917	27,696,814	12,433,889	-	14,145,513	120,788,969
Adfa Blankets Company	1,862,790	-	-	-	-	-	1,862,790
Western Textile Company	1,190,904	-	-	2,301,718	-	32,506,407	35,999,029
spinning	125,659	-	-	-	-	-	125,659
Shahad	-	-	-	-	-	-	-
Nadine	-	-	-	-	-	-	-
Total	84,945,478	24,249,917	27,696,814	14,735,606	-	46,651,920	198,279,736

Geographical distribution of the company's External revenues

(Thousands of riyals)

S	District Name [Continental]	Net sales	
		2022	2023
1	Asia	51,873	88,980
2	South America	-	-
3	Africa	29,329	48,200
4	North America	88,144	18,737
5	Europe	45,732	47,797
6	Australian	45,914	87,702
	Total	260,992	198,218

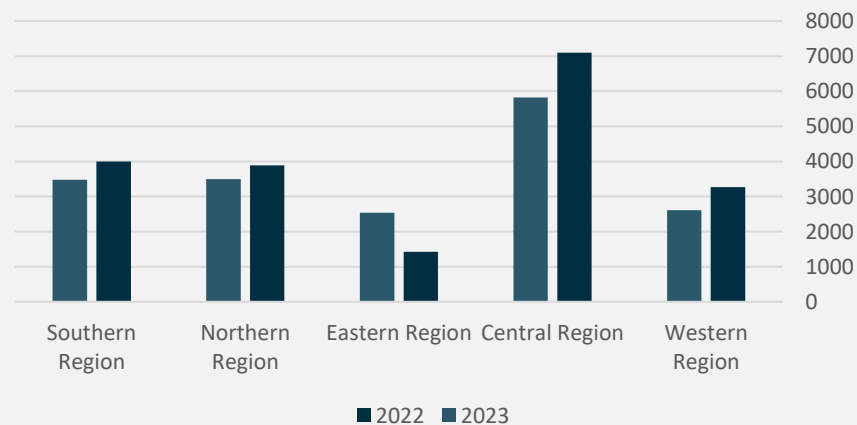


Geographical distribution of revenues from local distribution centers

(Thousands of riyals)

S	District Name Region	Net sales	
		2022	2023
1	Western Region	3,269	2,711
2	Central Region	7,095	5,823
3	Eastern Region	1,426	2,041
4	Northern Region	3,883	3,498
5	Southern Region	3,995	3,477
	Total	19,668	17,949

Geographical Distribution of Revenues from Local Distribution Centers



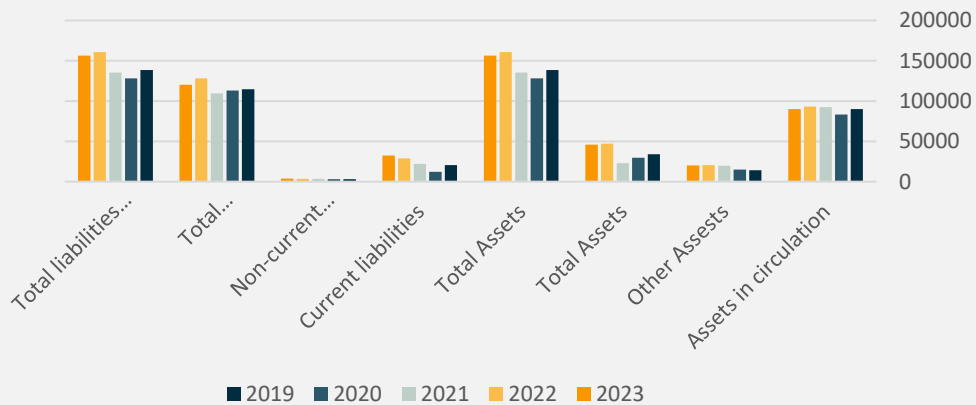
Financial results

a) Balance Sheet

	(Millions of riyals)				
statement	2019	2020	2021	2022	٢٠٢٣
Assets in circulation	901.04	833.57	924.89	931.29	٩٠٠,٧٢
Other assets	141.77	150.57	١٩٨,٩٧	204.69	٢٠٢,٠٦
Fixed asset	341.30	298.65	٢٢٨,٥٨	472.62	٤٥٩,٩٣
Total Assets	1,384.11	1,282.79	١,٣٥٢.44	1,608.60	١,٥٦٢,٧٠
Current liabilities	205.43	120.52	222.75	290.61	٣٢٣,٨٣
Non-current liabilities	29.85	30.56	34.97	36.52	٣٧,٧٢
Total Shareholders' rights	1,148.83	1,131.71	1,094.90	1,281.74	١,٢٠١,١٥
Total liabilities and shareholders' rights	1,384.11	1,282.79	1,352.44	1,608.60	١,٥٦٢,٧٠

Note: In 2008 the company's capital was increased from 650,000,000 riyals to 812,500,000 riyals by granting shares at a rate of 25% of the capital.

Balance Sheet

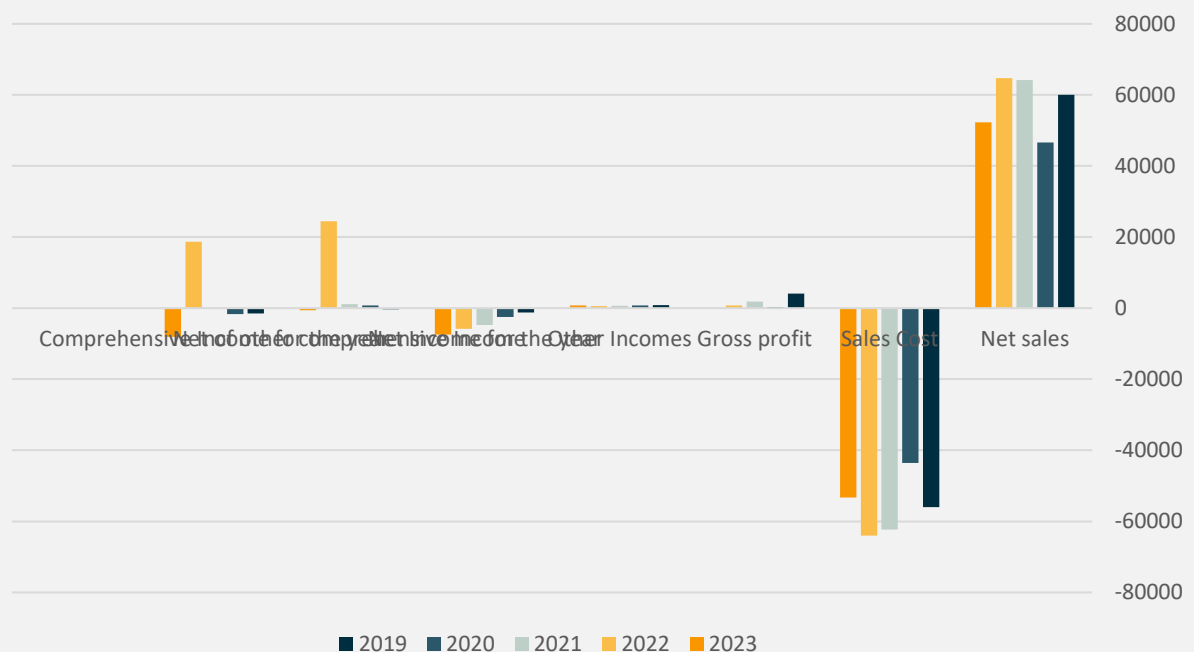


b) Income statement

(Millions of riyals)

statement	2019	2020	٢٠٢١	2022	٢٠٢٣
Net sales	600,51	466,09	٦٤١,٥٢	647,51	٥٢٢,٦١
Sales Cost	(559,47)	(435,79)	(622,73)	(640,07)	(٥٣٣,٣١)
Gross profit	41,04	30,30	18,٧٩	7,44	(١٠,٧٠)
Total expenses	(61,26)	(63,00)	(72,91)	(71,23)	(٧١,٨٠)
Other Incomes	8,55	7,87	٦,٣٧	5,92	٧,٧١
net income for the year	(11,67)	(24,83)	(47,75)	(57,87)	(٧٤,٧٩)
net of other comprehensive income	(3,08)	7,71	١٠,٩٥	244,44	(٥,٥٣)
Comprehensive income for the year	(14,75)	(17,12)	(36,80)	186,57	(٨٠,٣٣)
Net loss/profit per share from net income for the year	(0,14)	(0,31)	(0,59)	(0,71)	(٠,٩٢)

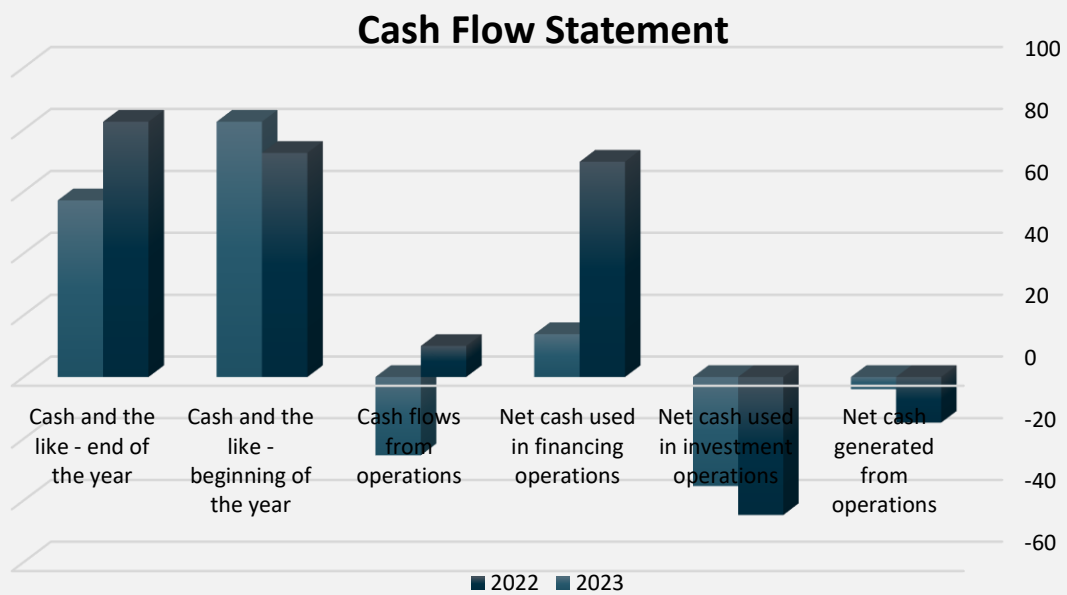
Income Statement



c) Cash Flow Statement

statement	(Millions of riyals)		
	٢٠٢١	2022	٢٠٢٣
Net cash generated from operations	(٧٤,٧٨)	(14,79)	(٣,٩٣)
Net cash used in investment operations	(١٥,٧١)	(44,73)	(٣٥,٣٤)
Net cash used in financing operations	٨٦,٢٧	69,59	١٣,٨٩
Cash flows from operations	(٤,٢٢)	10,07	(٢٥,٣٩)
Cash and the like - beginning of the year	٧٦,٦٥	72,43	٨٢,٥٠
Cash and the like - end of the year	٧٢,٤٣	82,50	٥٧,١٢

- Some comparative figures in 2022 have been reclassified to conform to the current year's classification.
- Some comparative figures have been modified to comply with the transition requirements of international standards.



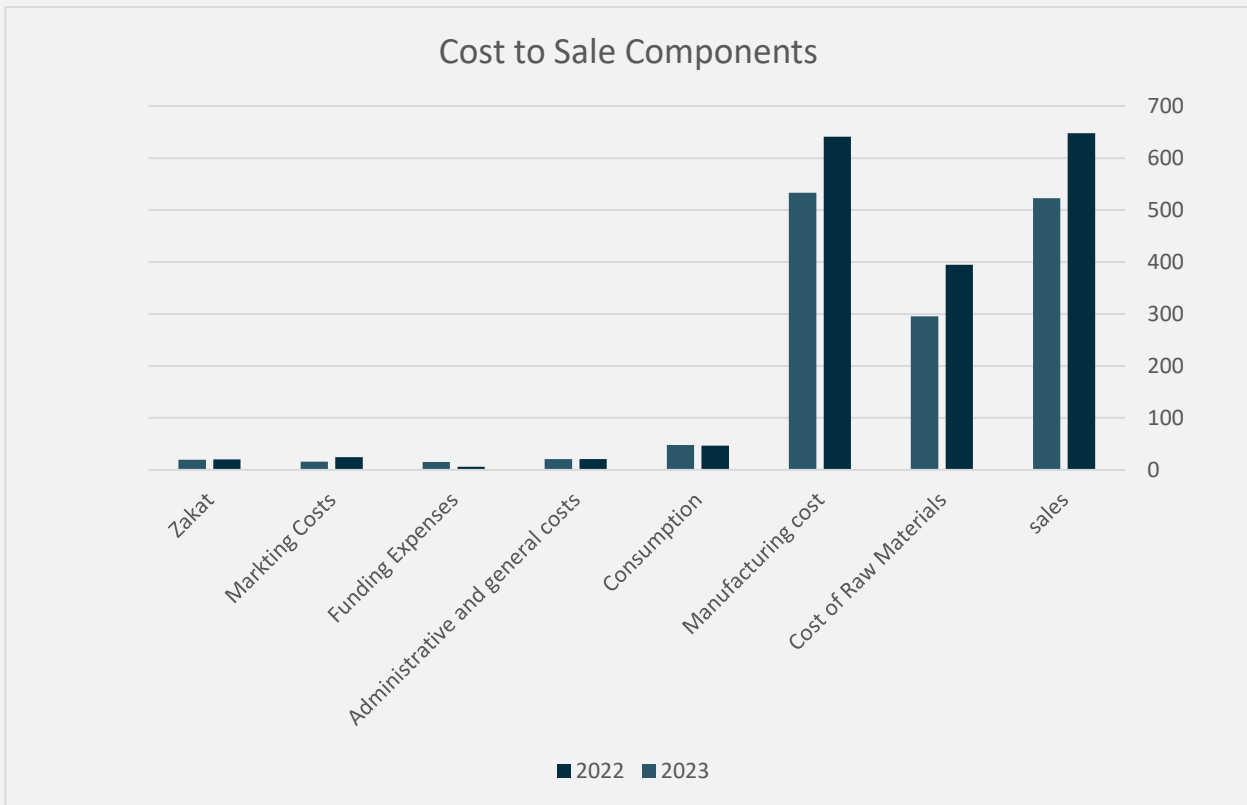
Cost-to-sales components

The table below shows the analysis of the cost-to-sales components:

(Millions of riyals)

statement	٢٠٢١	Percentage of Sales	2022	Percentage of Sales	٢٠٢٣	Percentage of Sales
Sales	٦٤١,٥٢		647,51		٥٢٢,٦١	
Cost of Raw Materials	٣٩٦,٢٨	%٦١,٨	394,67	%٦١,٨	٢٩٥,٣٥	%٥٦,٥
Manufacturing cost	٦٢٢,٧٣	%٩٧,١	640,07	%97.1	٥٣٣,٣١	%١٠٢
Consumption	٤٧,٦٢	%٧,٤	46,86	%٧,٤	٤٧,٨٠	%٩,١
Administrative and general costs	٢٠,٣٩	%٣,٢	20,51	%٣,٢	٢١,٠٤	%٤,٠
Funding Expenses	٢,٦٦	%٠,٤	6,24	%٠,٤	١٤,٩٧	%٢,٩
Marketing Costs	٢٤,٥٤	%٣,٨	24,48	%٣,٨	١٥,٩٨	%٣,١
Zakat	٢٥,٣٢	%٣,٩	20,00	%٣,٩	١٩,٨١	%٣,٨

- The company's financial statements for the year 202٣ are an integral part of this report.
- Some comparative figures have been modified to comply with the transition requirements of international standards.



Transactions with related parties

During the fiscal year 2023, the company conducted transactions with related parties as follows:

(Thousands of riyals)

Core relations with sister companies (for the fourth quarter of 2023)								
The name of the relevant party	Debit Balance 1 January 2023	sales to related party [Debtor]	Services and benefits for related party (Debtor)	Services/benefits from a related party (Creditor)	Purchases from related party (Creditor)	Payments received from a related party (Creditor)	Payments made to related party (Debtor)	Balance at the End of 31 December 2023
Al-Abdullatif Furniture Company	43,753,064.51	30,061,027.97	4,136,810	187,736	294,100	30,854,955	95,000	47,299,405
Red Sea Cables Company	(6,579.22)	8,428.82	37,030	-	769,485	19,565	750,356	186
Natural Gas Distribution Company	(149,958.21)	-	-	-	1,569,533	-	1,572,763	(147,029)
Total	43,596,526.08	30,061,028	4,173,840	187,736	2,633,116	30,874,520	2,417,506	47,152,565

During the fiscal year 2023, the company made some transactions with the relevant parties as indicated in the above table, while its details and the rationale for the relationship are as follows:

Name	Relationship
AL Abdul Latif Furniture Company	Facility managed by Mr. Suleiman bin Omar Al-Abdullatif (General Manager company Furniture Abdullatif) He is currently a member of the board of directors of AL Abdullatif Furniture Company (closed contribution), Mr. Abdul Latif bin Omar Al-Abdul-Latif and Mr. Fahd bin Omar Al-Abdul-Latif are also members of the Board of Directors of Al-Abdullatif Furniture Company (closed contribution) (indirect relationship).
Natural Gas Distribution Company	A company in which Mr. Abdul Latif bin Omar Al-Abdul-Latif and Mr. Majid bin Abdul-Rahman Al-Osailan (a board member of the Gas Distribution Company) are employed, and they are both members of the company's board of directors for its current session (indirect relationship).
Red Sea Cable Company	A company works in it Mr. Suleiman bin Omar Al-Abdul Latif a member of the board of directors (indirect relationship)

Conditions to make transactions with the related parties are demonstrated below:

The businesses are conducted per the normal terms of dealing, which are not different from dealings with debtors and ordinary commercial creditors and there are no other benefits.

The nature of the dealings with the related party during fiscal year 2023 is as follows:

1- Sales to a related party (AL Abdul Latif Furniture Com

1-Sales consist mainly of wholesale sale of carpet and moquette materials, knowing that all dealings with the related party are not different from those with ordinary debtors and commercial creditors and have no special advantages.

These businesses are renewed annually by the General Assembly During the fiscal year 2023, sales were (30,651) thousand riyals.

2-Sales consist mainly of wholesale sale of carpet and moquette materials knowing that all dealings with the related party are not different from dealings with ordinary debtors and commercial creditors as mentioned in the terms of dealing with the relationship and do not have any special advantages The duration of this work is renewed annually from the General Assembly and the value of sales during the fiscal year was SAR (8) thousand riyals.

2-Services and benefits provided to the related parties as the following:

- A warehouse rental contract the first part of it is AL Abdul Al-Latif Industrial Investment Company (landlord) and the second part is AL Abdul Latif Furniture Company (renter), for one year renewed annually by the General Assembly, amounted to(4,137) thousand riyals by the end of ٢٠٢٣.
- A warehouse rental contract the first part of it is AL Abdul Al-Latif Industrial Investment Company (landlord) and the second part is Red Sea Cables Company (renter), for one year renewed annually by the General Assembly, amounted to (37) thousand riyals by the end of ٢٠٢٣.
- Contract for catering services and housing; the first part of it is Ritaj Al-Waseel Maintenance and Catering Services Company, a subsidiary of AL Abdul Latif Industrial Investment Company, and the second part is Al Abdullatif Furniture Company for one year renewed annually by the General Assembly, amounted to (188) thousand riyals for the fiscal year 2023.

D. Logistical services and online payments (logistics/environmental services/on-duty payments) provided to Al-Abdullatif Furniture Company and valued at (110) thousand riyals during 2023.

* The total value of services and benefits provided to a related party during fiscal year 2023 was (4,174) thousand riyals.

3- Services and benefits from a related party:

The services and benefits provided to the company by a related party are:

1. Al-Abdul Latif Furniture Company is the first (landlord) and Al-Abdul Latif Industrial Investment Company is the second part (renter) housing some of Al-Abdul Latif Industrial Investment Company's employees. The duration of these contracts is one year renewed annually by the General Assembly and the value of the contracts during fiscal year 2023 amounted to (75)thousand riyals.
2. Warehouse and Sales Center leases outside Riyadh are the first party of Al-Abdul Latif Furniture Company the first party(landlord) and the second party is Adfa Blanket Company (a subsidiary of Al-Abdul Latif Industrial Investment Company) (renter). The duration of these contracts is one year renewed annually by the General Assembly. The amount of these is (80) thousand riyals until 31/12/2023.
3. The lease of a warehouse and water well amounted to (115) thousand riyals.
4. The wages of carpet brushes and supplies (glue, wood, tip) are (69) thousand riyals.

* The total services and benefits provided by a related party during fiscal year 2023 amount to SAR (294) thousand riyals.

4-Purchases from a related party:

A. Purchases generally consist of a related party (Al-Abdul Latif Furniture Company) of carpet brushes, wood, glue, and duct tapes for (294) thousand rials by the end of 2023.

B. Purchases generally consist of a related party (Red Sea Cables) of cables and are valued purchases as at 31/12/2023 SAR (769) thousand.

C. Purchases from a related party (the Natural Gas Distribution Company) are generally made up of natural gas, and the purchase amounted to (1,570) thousand riyals by the end of the year 2023.

- The substantive relations with the related parties began with a debit balance of (43,597) thousand riyals. This balance was subject to debit and debt movements. The result is that the debit balance as of 31 December 2023 amounted to (47,153) thousand riyals.



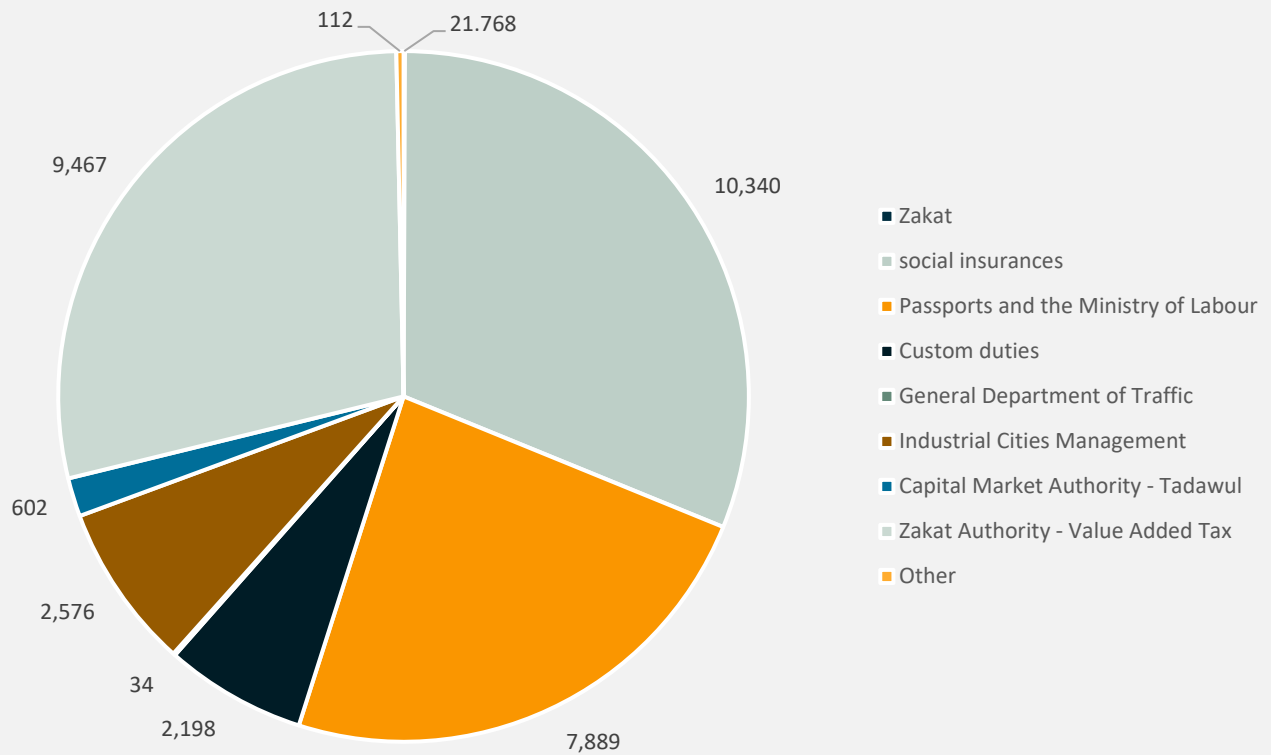
Statutory payments

(Thousands of riyals)

The statement	2022	2023	Statement
Zakat	21,768	17,809	Paid legal zakat
social insurances	10,340	10,359	Payment of employee contributions, including pensions, occupational hazards, and unemployment insurance
Passports and the Ministry of Labour	7,889	6,921	Renewing residency and work permits for company employees
Custom duties	2,198	2,376	Fees paid to customs
General Department of Traffic	34	0	Renewal of company car and truck forms
Industrial Cities Management	2,576	2,601	Pay the Company's rental locations
Capital Market Authority - Tadawul	602	641	Fees for providing services (Tadawul)
Zakat Authority - Value Added Tax	9,467	16,380	Value Added Tax - VAT
Other	112	141	Certifications from the Chamber of Commerce and the Ministry of Foreign Affairs

- The estimated zakat on the company for the year 2023 amounted to (23000) thousand riyals, and it will be paid during the year 2024.
- The refunded value added tax amounted to (334) thousand riyals.

Statutory Payments



Waivers of salaries, compensations, and profits

There are no arrangements or agreement under which the executive directors waived any salary other than the waiver of their attendance allowances and the remuneration of the annual membership of the Board, nor are there any arrangements or agreements under which a senior executive waived any salary or compensation. The Chairman of the Board of Directors (Mr. Suleiman bin Omar Al-Abdul Latif), the Managing Director (CEO) (Mr. Abdul Latif bin Omar Al-Abdul Latif) and the Deputy Executive Chairman (Mr. Fahad bin Omar Al-Abdul Latif) waived the remuneration of membership of the Board of Directors and the allowances to attend the meetings of the Board for the fiscal year 2023 for their membership in the Board of Directors for its current session. Except for four members of the Board of Directors, whose remuneration will be disbursed in the fiscal year 2023 after the approval of the Assembly. They are (Mr. Majid bin Abdul Rahman Al-Osailan, Mr. Mohammed bin Hamdan Al-Sorayai, Mr. Hisham bin Abdul Rahman Al-Askar, and Mr. Samir Mahmoud Haddad.

Clarify the difference from accounting standards.

According to the independent auditor's report on the consolidated financial statements, the consolidated financial statements of Al-Abdullatif Industrial Investment Company (a Saudi listed company) (the Company itself and its subsidiaries), which include the consolidated financial statement of position as on December 31, 2023 the consolidated statement of profit or loss and other comprehensive income and the statement of equity in the consolidated shareholders', the consolidated statement of cash flows for the year ended on that date, and the notes attached to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes, are presented fairly in all material aspects, the consolidated financial position of the group as at December 31, 2023, and the company's consolidated financial performance and its consolidated cash flows and changes in the consolidated shareholders' equity for the year ended on that date in accordance with the international financial reporting standards approved and applied in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants. The approved international standards are the international standards as stated in the International Financial Reporting Standards Approval Document and other standards and publications mean what the Saudi Organization for Certified Public Accountants approves of standards and technical opinions for topics not covered by international standards, such as the issue of zakat.

The consolidated financial statements have been prepared on an accrual basis, except for the consolidated statement of cash flows that have been prepared based on historical cost, except for some financial instruments and assets available for sale and classified investments at fair value that are measured at fair value. The fair value, otherwise carried at amortized cost, is offset to record the hedged fair value changes.

The cost model has also been applied for measuring property, plant, machinery, equipment, and real estate investments when applying international standards. This is the date of application in accordance with the issuance of the Capital Market Authority issued on October 16, 2016, with full compliance with the requirements of international standards approved by the Saudi Organization for Certified Public Accountants.

Investments and financial assets

a) Investments at fair value through other comprehensive income

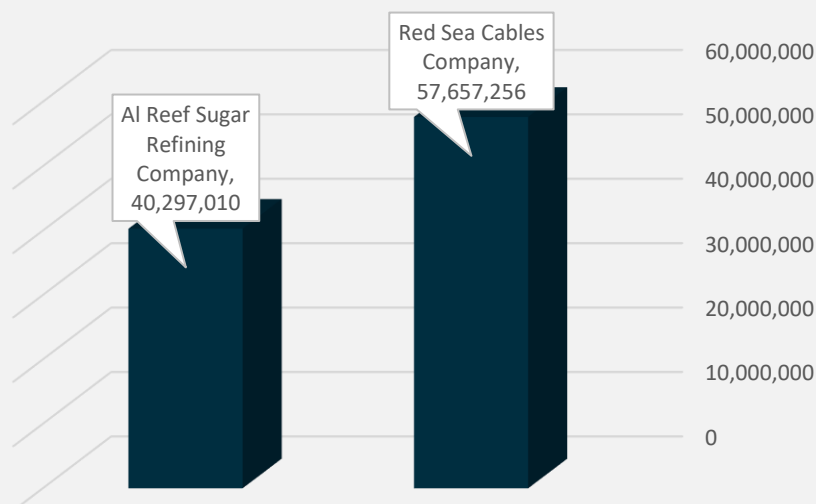
Statement	Owner of the investment	Place	Share %	(thousands of riyals)	
				31-12-2022	31-12-2023
Red Sea Cables Company	Closed shareholding company	Riyadh	27%	٥٧,٣٠٠	59,000
Al Reef Sugar Refining Company	Closed shareholding company	Jeddah	15%	٤٤,٧٨٤	٤٢,٠٠٠

As the movement of changes in fair value was as follow:

Statement	(Thousands of Riyals)	
	31/12/2022	31/12/2023
Balance on 01 January	94,804	102,084
Additions during the year	3,150	
Fair Value Change Profit	4,487	
Fair Value Change Losses	357	(1,084)
Fair Value of Investments	102,084	101,000

- The cost of investment in Red Sea Cables Company is 5٩ million riyals.
- The cost of Al Reef Sugar Refining Company is 4٢ million riyals.
- The Group does not have any kind of control or significant influence over the companies in which it invests.

Investments at Fair Value through the Comprehensive Income



b) Investment in real estate**(Thousands of Riyals)**

Land - Cost :	31/12/2022	31/12/2023
Balance at the beginning of the year	87,005	87,005
Converted from property, machinery and equipment	-	-
Net book value at the end of the year	87,005	87,005

- Real estate contribution to a plot of land in Medina (to obtain a capital income or profit) This is 14.58% under a land-sharing contract between the company and a local real estate investment company in whose name the deed of ownership of the land has been registered. It is also entitled to sell or dispose of the land without reference to the company. In that case, the sale value and profits are distributed according to the revenue immediately after the sale. Its fair value was on 31 December 2022 (57,117 million riyals) and 2023 (57,53 million riyals) according to the valuation of the company's share of this land by (Alhaliah Value Real Estate Valuation Company License No. 1210000606) as an accredited evaluator.
- A plot of land in Al-Khobar city, purchased in 2015 in the purpose of establishing a regional sales centre targeting the Eastern Region and the GCC countries and had been included in the previous years in the company's property, machinery, and equipment. In 2022, due to economic conditions and the effects of the coronavirus pandemic, the administration stopped studying the establishment of the center and saw the land classified as an investment property to lease it for additional income to the group. Its fair value according to the most recent land valuation as of December 31, 2023 (sum of SAR 45,64 million) was reached by (Alhaliah Value Real Estate Valuation Company License No. 1210000606) as an accredited evaluator.

c) Investments at fair value through profit and loss**(thousands of riyals)**

Statement	31/12/2022	31/12/2023
Balance on 01 January	8.950	1,765
Add-ons during the period	4	
Sale exclusions	8.200	
Fair Value Change Profit	1.012	231
Investment Balance	1.766	1,996

Investments through Fair Value[Loss and Profits



Information about the Company Loans

a) Long-term loans

The company acknowledges that there are no long-term loans obtained during the year 2023.

b) Short Term Borrowings

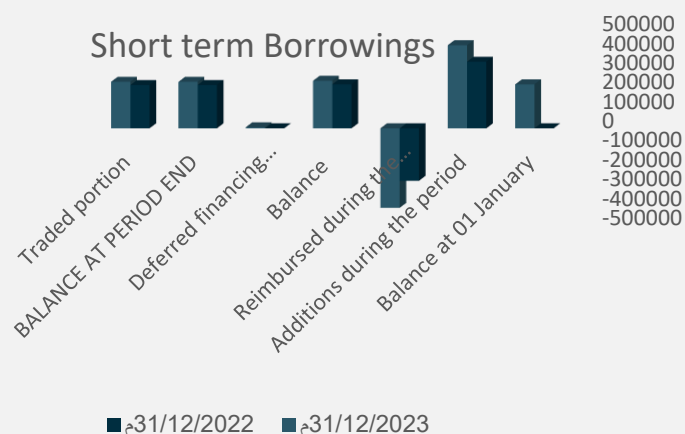
Statement	31/12/2022	31/12/2023
Balance at 01 January	153,824	226,341
Additions during the period	342,759	427,709
Reimbursed during the period	(270,242)	(409,309)
Balance	226,341	244,741
Deferred financing commissions	(3,538)	5,280
BALANCE AT PERIOD END	222,803	239,461
Traded portion	222,803	239,461
Non-traded portion	-	-

The company has obtained a banking facilities agreement with local banks with a minimum credit of 466,7 million riyals, all of which are short-term, for the following purposes:

- Financing the purchase and import of raw materials for production.
- Financing the operating cycle of the company and working capital.
- Purchase of materials through SABIC's open account.
- Securing documentary credits and guarantees.
- Murabaha Tawarruq.
- Hedge against foreign currency risk.

This Agreement is subject to the following safeguards: -

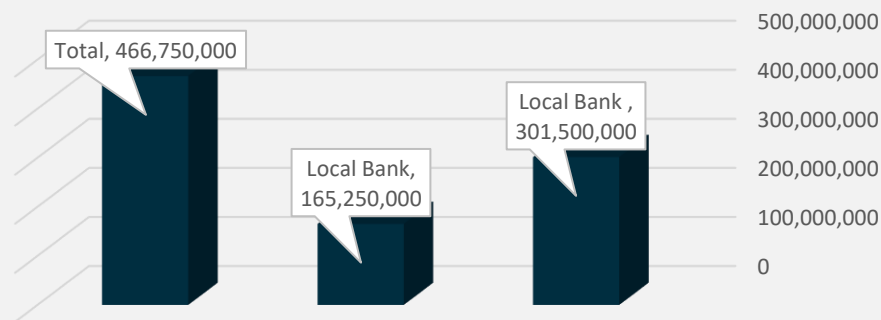
- Bonds to order the maximum number of facilities.
- Principal Hedging Agreement.
- General Agreement for the Financing of Islamic Trade.



Existing Credit Facility agreements as in 31-12-2023.

Bank Name:	Facilities				Total
	Tawarruq and Murabaha	Direct credit alternatives, documentary credits, bank guarantees and shipping guarantees	Initial and final guarantees	Hedge against foreign exchange volatility	
Local Bank	200.000.000	100.000.000		1.500.000	301.500.000
Local Bank	70.000.000	40.000.000	50.000.000	5.250.000	165.250.000
Total facilities granted	270.000.000	140.000.000	50.000.000	6.750.000	466.750.000

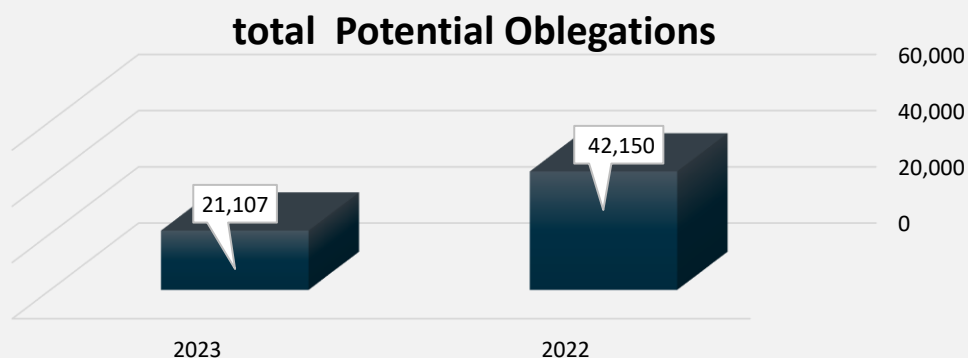
Credit Facility agreements By the end of 2023



Potential obligations of the company

The Company's potential financial liability (42,150 thousand riyals) for the fiscal year 2022, while it was (21,107 thousand riyals) for the fiscal year 2023, against letters of guarantee and documentary credits, under the bank certificates issued by those banks, according to the following table:

(Thousands of Riyals)			
Company Name	Receivables (2023)	Obligations (2023)	Bank Name
Al-Abdullatif Industrial Investment Company	-	8,319	SABB Bank
Eastern Textile Company	6,319	-	
National Spinning Company	-	-	
Adva Blankets Company	-	-	
SABB's Total Liabilities and Receivables	6,319	8,319	
Bank Credits	-	11,709	Riyad Bank
Bank Guarantees	-	1,709	
Total liabilities and entitlements of Riyadh	-	12,788	
Total for the purposes of disclosure in the financial statements	6,319	21,107	
Accordingly, the potential financial obligations of the company are as follows: (42,150) thousand riyals for the fiscal year 2022 compared to (21,107) thousand riyals for the fiscal year 2023			
42,150		Total Liabilities 2022	
21,107		Total Commitments 2023	



Company's auditors and financial statements

The Extraordinary General Assembly held on 13/06/2022, approved the appointment of Mr. Al-Ayuti & Partners Company as accountants and auditors of the company to examine, review and audit the financial statements for the second, third and annual quarters of fiscal year 2023 and the first quarter of fiscal year 2024 and his fees were determined to be (850.000) riyals.

Internal Monitoring and Audit

Under the guidance of the Audit Committee and with the approval of the Board of Directors, the Internal Control Department and those in charge of the internal audit process, who were contracted to provide internal audit services based on a plan approved by the Audit Committee and approved by the Board of Directors continued to achieve the following objectives:

- Participate in the task of providing the Audit Committee with objective and credible reports, in a timely manner, on the performance of each department.
- Assisting the administration in developing its administrative, financial, and technical systems to keep pace with development requirements and achieve operational and financial discipline.
- Auditing and evaluating the adequacy and effectiveness of the internal control system in a way that ensures reducing risks.
- Determining the extent of employees' commitment to the company's policies and procedures.
- Audit the means to ensure the integrity of the company's assets and verify the actual existence.
- Determining the extent of reliance on the financial system and financial statements.
- Carrying out regular and periodic reviews of the various activities and reporting the results and recommendations.
- Attempt to prevent intentional and unintended errors and take measures.

The scope of the internal audit work

Periodic examination of the departments, including the company's control and risk management systems, during appropriate periods to determine whether the administrative tasks, functions, accounting, and oversight are effectively accomplished, by the approved policies, procedures, and instructions in the company and line with the company's objectives. And that will include the following:

- The means and methods used to preserve and protect the company's assets, including information assets, from the risk of theft, damage, destruction, misuse, negligence, inefficiency, improper business practices, inappropriate disclosure, or corruption.
- The extent of reliability of the security and integrity of the financial and operational information prepared within the company, and the means used to identify, measure, classify and report on such information.
- The systems in place to ensure compliance with the policies, plans and procedures that have an impact on the company.
- The effectiveness and efficiency in the recruitment of resources and at a reasonable cost.
- Inform the responsible employees in the department that has been examined of the results of the examination carried out by the internal audit and the opinions and recommendations reached to verify that the necessary measures are taken to address the weaknesses found.
- Evaluate the plans and procedures taken by the relevant departments to address the observations and recommendations contained in the audit report. In case of the measures taken are insufficient, this matter is discussed with the responsible employees to ensure the adequacy of the measures taken.
- Assist in planning, designing, and developing the information systems to ensure that there is adequate control over the systems, and that all systems examination procedures are carried out in a timely manner.



4 CHAPTER FOUR

**BOARD OF DIRECTORS,
COMMITTEES AND SENIOR
EXECUTIVES.**



Board of Directors

The company's board of directors is held by seven members who were elected by the company's seventeenth extraordinary general assembly by the cumulative voting method on Wednesday 9/06/1443 AH corresponding to 12/1/2022 AD (for a period of three years starting on 23/01/2022 AD) according to the company's articles of association and the method that is compatible with the companies' system. Hence, members whose membership period has expired may be re-elected each time with the approval of the Ordinary General Assembly when the nominations for membership of the Board of Directors are open. The following statement also includes the number of Board meetings and the record of attendance at each meeting (noting that the Chairman of the Board of Directors did not obtain a written request to hold emergency meetings from two or more members during the ended fiscal year) and the names of the joint-stock companies in which the Board member is a member of the Board of Directors manage it.

The Board of Directors Members

Names of the members of the board of directors	Position	Education Level	Experience	Member Type	Number of times to attend council meetings	Date	Number of Meetings after the assembly	Membership in other committees	Membership in: Council of other joint stock companies
Suleiman Omar Abdullatif	Chairman	Completion of general education stages in the Kingdom	46years	Non-executive	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	1	1- Al-Abdul Latif Group Holding Company 2- Red Sea Cables 3- Al-Abdullatif Furniture Company 4- Al-Abdullatif Industrial investment Company 5- Al-Asas Limited Company 6- Alnamothejiyah Modern for Real Estate Company 7- Alwaseel Maintenance Company
Majed Abdul Rahman Al-Osailan	Vice Chairman	Master's in business administration And Bachelor of Accounting	21 years	Non-Executive	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	2	1- Al-Abdul Latif Industrial Investment Company 2- Al Madinah Cement 3- Natural Gas Distribution Company 4- Ajel Company 5- Green Solutions Company for Environmental Services. 6- Innovative Alternatives Company for Environmental Solutions
Abdul Latif Omar Al- Abdul Latif	Managing Director	Completion of general education stages in the Kingdom	34 years	Executive	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	1	1- Al Abdul Latif Group Holding Company 2- Natural Gas Distribution Company 3- Al Reef Company sugar refining. 4- Al-Abdullatif Furniture Company 5- Al-Abdullatif Industrial investment Company
Samir Mahmoud Haddad	Member	Bachelor in chemical and Materials Engineering	33Years	Independent	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	2	1- Al-Abdullatif Industrial investment Company 2- Al Reef Company sugar refining. 3- Saudi Fisheries Company
Fahad Omar Al- Abdullatif	Member	Bachelor In Media	28 years	Executive	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	1	1- Al-Abdul Latif Group Holding Company 2- Al-Abdullatif Furniture Company 3- Al-Abdullatif Industrial investment Company
Mohammad Hamdan Al-Sorayai	Member	Master of financial management master's in business administration And Bachelor of Business Administration	8 years	Independent	5 of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	3	1- Al-Abdul Latif Industrial Investment Company 2- Al Jouf Mineral Water Bottling Company
Hisham Abdul Rahman Al- Askar	Member	Bachelor of Systems and Law	14 years.	Independent	5 out of 5	29/03/2023 22/05/2023 13/8/2023 08/11/2023 28/12/2023	5	2	Al-Abdul Latif Industrial Investment Company

The Board committees and their functions

S	Committee Name	Functions and tasks of the committee	Chairman and members of the committee	Number of meetings during the year	The date of the committee's meetings during the year 2022
1	Executive Committee	This committee undertakes several tasks among them; assessing the board to carry its responsibilities in front of the shareholders, other parties, and authorities. Along with the supervision of the company's and subsidiary companies management process, and is responsible for setting the company's recommendations to the board when necessary, and make decisions allowed by the company's board of directors.	1- Samir Mahmoud Haddad (Chairman) 2- Abdul Latif bin Omar Al Abdul Latif (Member) 3- Fahd bin Omar Al-Abdullatif (Member)	3 out of 3	13/8/2023 6/11/2023 27/12/2023
2	Auditing Committee	Ensuring the adequacy of the internal auditing systems, recommending the Board of Directors to employ law accountants, studying the preliminary and annual financial statements, and submitting their reports to the Board of Directors, studying the utilized accounting policies and make recommendations to the Board of Directors in this regard.	1. Majed Abdul Rahman Al-Osailan (Chairman) 2-Saleh Hassan Al-Sheikh (Member) 3-Abdul Aziz Mohammad Al-Suwaidan (member) 4- Mohammad Hamdan Al-Sorayai (member)	5 out of 5	29/3/2023 21/5/2023 13/8/2023 6/9/2023 7/11/2023
3	Rewards & Nomination Committee	This committee studies various important issues and submits its recommendations to the Board of Directors. It also, sets clear policies for the compensation and rewards of the Board of Directors and senior executives. As well as recommending to the Board the nomination for membership of the Board and ensuring the approved policies and standards and the governance system	1- Hisham bin Abdul Rahman Al-Askar (Chairman) 2-Suleiman bin Omar Al-Abdul Latif (Member) 3- Samir Mahmoud Haddad (member)	2 out of 2	6/11/2023 21/12/2023
4	Risk Management	The Risk Management Committee oversees all risk management activities throughout the Company in order to identify, assess and manage all major business risks. In addition, the committee ensures that systems, policies, and procedures are in place to manage these risks and ensure that major risk issues are referred to the Board of Directors.	1- Hisham bin Abdul Rahman Al-Askar (Chairman) 2- Majed Abdul Rahman Al-Osailan (Member) 3- Mohammad Hamdan Al-Sorayai (member)	2 out of 2	10/9/2023 20/9/2023

Names of the Members of the Board of Directors

S	Name	Current Position	Previous job	Qualifications
1	Suleiman Omar Abdul Latif	Chairman of the Board of Directors and member of Remuneration and Nomination Committee of Al-Abdullatif Industrial Investment Company-General Manager (Al-Abdullatif Furniture Company) - Non-Executive Member (Al-Abdullatif Holding Company and Red Sea Cables Company) - Chairman of the Board of Directors (AlAssas Company Limited) General Manager (Alnamothejjayah Modern Company for Real Estate and Al-Wassel Maintenance Company)	Chairman of the Board of Directors of Al-Abdullatif Industrial Investment Company-General Manager of Al-Abdullatif Furniture Company	Completion of general education stages in the Kingdom
2	Majed Abdul Rahman Al-Osailan	Chairman (Natural Gas Distribution Company) – Vice Chairman of the Board of Directors, Chairman of the Audit Committee and Member of the Risk, Governance Committee (Abdul Latif Industrial Investment Company) - Vice President (National Cement Industry Committee) - Vice-Chairman of the Board of Directors (Green Solutions for Environmental Services) - Board Member, audit committee member (AGL Financial Services Company) - Board Member, Chief Executive Officer and Executive Committee Member (Al-Madinah Cement Company)	Board Member (Saudi Makameen Holding Company) - Member of the Audit Committee (Murabaha Instalments Company) - Head of Finance, Administrative and Information Technology and Head of Finance (Cement Al Madina Company) - Corporate Banking and Credit and Risk Management (Riyad Bank) - Accounting Department (French Bank)	Masters in business administration And Bachelor of Accounting
3	Abdul Latif Omar Al Abdul Latif	Member of the Executive Committee, Managing Director, and Chief Executive Officer (Abdul Latif Industrial Investment Company) – Chairman of the Audit Committee. On-Executive member (Al-Abdul Latif Furniture Company) Member of the Executive Committee (Natural Gas Distribution Company)- Independent Member (Al Rafi Sugar Refining Company)	Managing Director and CEO (Abdul Latif Industrial Investment Company) - Production Director and Deputy Director (Abdul Latif Industrial Investment Company)	Completion of general education stages in the Kingdom
4	Samir Mahmoud Haddad	Chairman of the Executive Committee, Board Member and Member of the Remuneration and Nominations Committee (Abdul Latif Industrial Investment Company) - Board Member (Saudi Fisheries Company)	Several management and leadership positions (Savola United Sugar Company) - Chief Industrial Officer (AlSorayai Group, currently Global Textile) - Chairman (Millennium Weaves America/Belgium) - Executive Director of Operations and Investor Relations (Emaar of King Abdullah Economic City) - Operations Engineer (Natural Gas Retail Plant/Aramco) - Research and Development Engineer (SABIC) Chief executive(Al Reef Company sugar refining.)	Bachelor in chemical and Materials Engineering
5	Fahd Omar Al-Abd Al-Latif	Board Member and Executive Committee Member (Abdul Latif Industrial Investment Company) - Executive Vice President (Abdul Latif Industrial Investment Company) - Non-Executive Member (Abdul Latif Group Holding and Al Abdul Latif Furniture Company)	Board Member and Executive Vice President (Abdul Latif Industrial Investment Company)	Bachelor of Media
6	Mohammad Hamdan Al-Sorayai	Head of Corporate Banking Management Team (Saudi British Bank) - Board Member, Audit Committee Member, Risk, Governance (Abdul Latif Industrial Investment Company) – Audit Committee member (Al-Madinah Cement) - Board Member (Al-Jouf Mineral Water Bottling Company)	Chief, Financial Analysis Section (Western Financial Advisory House)	Master of Financial Management, Bachelor of Business Administration
7	Hisham Abdul Rahman Al-Askari	Member of the Board of Directors and Chairman of the Remuneration and Nominations Committee and Chairman of the Risk, Governance Committee (Al-Abdul Latif Industrial Investment Company) - Chairman (Hisham Al-Askar & Partners Group for Law and Legal Investments)	Member of the Board of Directors of the Export Development Authority, Member of the Board of Directors of Yamama Cement Company, Chairman of the Risk, Governance and Compliance Committee of Yamama Cement Company, Member of the Board of Directors of Al-Abdul Latif Industrial Investment Company, Member of the Board of Directors of the Export Company, Chairman of the Risk, Governance and Compliance (Al-Abdul Latif Industrial Investment Company and the Export Company)	Bachelor of Law Program

S	Name	Experiences
1	Suleiman Omar Abdul Latif	46 years of experience in management, industry, and production, in addition to membership in the boards of several companies and committees
2	Majed Abdul Rahman Al-Osailan	21 years of experience In Management, Credit, Information Systems, Finance and Administration, as well as membership of boards of several companies and committees
3	Abdul Latif Omar Al Abdul Latif	34 years of experience in the field of management, industry, and production in addition to membership of boards of several companies and committees
4	Samir Mahmoud Haddad	33 years of experience in research, development, supply chains, operations, and investment as well as membership of boards of a number of companies and committees.
5	Fahd Omar Al-Abd Al-Latif	28 years of experience in management, industry, and production. In addition to membership in the boards of several companies and committees
6	Mohammad Hamdan Sorayai Al-Sorayai	8 years of experience in the Banking Department of Major and Institutional Companies and Financial Analysis as well as membership of several companies' boards and committees
7	Hisham Abdul Rahman Al-Askari	15 years of experience in law and legal investments, and researcher in Economic affairs. A specialist in a corporate regulations, securities, and commercial issues. A legal consultant. In addition to a membership in the boards of several companies and committees.

The company Committees and their Members

Auditing Committee

S	Name	Current Position	Previous job	Qualifications	Experiences
1	Majed Abdul Rahman Al-Osailan	Chairman (Natural Gas Distribution Company)- Vice Chairman of the Board of Directors, Chairman of the Audit Committee and Member of the Risk, Governance Committee (Abdul Latif Industrial Investment Company) -Vice-Chairman of the Board of Directors (Green Solutions for Environmental Services) - Board Member and Executive Committee Member (AGL Financial Services Company) - Board Member, Chief Executive Officer and Executive Committee Member (Al-Madinah Cement Company)	Board Member (Saudi Makameen Holding Company) - Member of the Audit Committee (Murabaha Instalments Company) - Head of Finance, Administrative and Information Technology and Head of Finance (Cement Al Madina Company) - Corporate Banking and Credit and Risk Management (Riyad Bank) - Accounting Department (French Bank)	Masters in business administration And Bachelor of Accounting	21 years of experience In Management, Credit, Information Systems, Finance and Administration, as well as membership of boards of several companies and committees
2	Saleh Hassan Al Sheikh	Member of the Audit Committee of Al-Abdullatif Industrial Investment Company. The financial controller in a military-industrial company	Member of Abdullatif Audit Committee (al-Abdul Latif industrial investment company)- Financial Controller of Civil Aviation Holding Company - Financial Controller of Al-Madinah Cement Company - Senior Financial Analyst of SABIC, Executive Vice President of Finance - Executive Director of Finance and Investment (King Salman Park Foundation),	Master of Business Administration Bachelor of Business of accounting	14 years' experience in financial management, financial control, and financial analysis as well as membership of the boards of a number of companies and committees
3	Abdul Aziz Mohammad Al-Suwaidan	Member of the Audit Committee of Al-Abdullatif Industrial Investment Company, Head of Financial Sector and Information Technology (Al-Madinah Cement Company)	Director of Treasury and Budget Department of Al-Madinah Cement Company Member of the Audit Committee of Al Abdul Latif Industrial Investment Company	Bachelor of Marketing - Diploma in Networks Technology.	Over 15 years' experience in financial management started in the banking sector of companies to move to the cement sector. In this sector he held several positions such as the Financial Controller, Treasury and Budget Manager, Head of the Financial Sector and Information Technology
4	Mohammad Hamdan Sorayai Al-Sorayai	Head of Corporate Banking Management Team (Saudi British Bank) - Board Member, Audit Committee Member, Risk, Governance (Abdul Latif Industrial Investment Company) - Member of Al-Madinah Cement Audit Committee - Board Member (Al-Jouf Mineral Water Bottling Company)	Chief, Financial Analysis Section (Western Financial Advisory House)	Master of Financial Management Bachelor of Business Administration	8 years of experience in the Banking Department of Major and Institutional Companies and Financial Analysis as well as membership of several companies' boards and committees

The Executive Committee

S	Name	Current Position	Previous job	Qualifications	Experiences
1	Samir Mahmoud Haddad	Chairman of the Executive Committee, Board Member and Member of the Remuneration and Nominations Committee (Abdul Latif Industrial Investment Company) - Board Member (Saudi Fisheries Company)	Several management and leadership positions (Savola United Sugar Company) - Chief Industrial Officer (Alsorayai Group, currently Global Textile) - Chairman (Millennium Weaves America/Belgium) - Executive Director of Operations and Investor Relations (Emaar of King Abdullah Economic City) - Operations Engineer (Natural Gas Retail Plant/Aramco) - Research and Development Engineer (SABIC)	Bachelor's in chemical and Materials Engineering	33 years of experience in research, development, supply chains, operations, and investment as well as membership on boards of several companies and committees.
2	Abdul Latif Omar Al Abdul Latif	Member of the Executive Committee, Managing Director, and Chief Executive Officer (Abdul Latif Industrial Investment Company) – Chairman of the Audit Committee(Abdul Latif Holding Group)- Non-Executive Member(Abdul Latif Furniture) – Member of the Executive Committee(Natural Gas Distribution Company) - Independent Member (and Al Rafi Sugar Refining Company)	Managing Director and CEO (Abdul Latif Industrial Investment Company) - Production Director and Deputy Director (Abdul Latif Industrial Investment Company)	Completion of general education stages in the Kingdom	34 years of experience in the field of management, industry, and production in addition to membership of boards of several companies and committees
3	Fahd Omar Al-Abd Al-Latif	Board Member and Executive Committee Member (Abdul Latif Industrial Investment Company) - Executive Vice President (Abdul Latif Industrial Investment Company) - Non-Executive Member (Abdul Latif Group Holding and Al Abdul Latif Furniture Company)	Board Member and Executive Vice President (Abdul Latif Industrial Investment Company)	Bachelor of Media	28 years of experience in management, industry, and production. In addition to membership in the boards of several companies and

Remuneration and Nominations Committee

S	Name	Current Position	Previous job	Qualifications	Experiences
1	Hisham Abdul Rahman Al-Askar	Member of the Board of Directors and Chairman of the Remuneration and Nominations Committee and Chairman of the Risk, Governance Committee (Al-Abdul Latif Industrial Investment Company) - Chairman (Hisham Al-Askar & Partners Group for Law and Legal Investments)	Board Member (Al-Abdul Latif Industrial Investment Company) - Chairman (Hisham Al-Askar and Partners Group for Law and Legal Investment) - Chairman of the Governance, Risk Committee of (Al-Madinah Cement Company) - Chairman of the Risk Committee of (the Exports Company)	Bachelor of Law Program	15 years of experience in law and legal investments, and research in Economic affairs. A specialist in corporate regulations, securities, and commercial issues. A legal consultant. In addition to membership in the boards of several companies and committees.
2	Suleiman Omar Abdul Latif	Chairman of the Board of Directors of Al-Abdullatif Industrial Investment Company- member of Rewards & Nomination Committee-General Manager of Al-Abdullatif Furniture Company- non-executive member of (Red Sea Cables Company, Al-Abdul Latif Group Holding Company) Chairman of the board of directors (AlAssas Limited Company) General Manager (Alnamothejiyah Modern Company for real estate and Al-Wassel Maintenance Company)	Chairman of the Board of Directors of Al-Abdullatif Industrial Investment Company-General Manager of Al-Abdullatif Furniture Company	Completion of general education stages in the Kingdom	45 years of experience in management, industry, and production, in addition to membership in the boards of several companies and committees
3	Samir Mahmoud Haddad	Chairman of the Executive Committee, Board Member and Member of the Remuneration and Nominations Committee (Abdul Latif Industrial Investment Company) - Board Member (Saudi Fisheries Company)	Several management and leadership positions (Savola United Sugar Company) - Chief Industrial Officer (AlSorayai Group, currently Global Textile) - Chairman (Millennium Weaves America/Belgium) - Executive Director of Operations and Investor Relations (Emaar of King Abdullah Economic City) - Operations Engineer (Natural Gas Retail Plant/Aramco) - Research and Development Engineer (SABIC)	Bachelor in chemical and Materials Engineering	33 years of experience in research, development, supply chains, operations, and investment as well as membership of boards of a number of companies and committees.

Risk, Governance Committee

S	Name	Current Position	Previous job	Qualifications	Experiences
1	Hisham Abdul Rahman Al-Askar	Member of the Board of Directors and Chairman of the Remuneration and Nominations Committee and Chairman of the Risk, Governance Committee (Al-Abdul Latif Industrial Investment Company) - Chairman (Hisham Al-Askar & Partners Group for Law and Legal Investments)	Board Member (Al-Abdul Latif Industrial Investment Company) - Chairman (Hisham Al-Askar and Partners Group for law and Legal Investment) - Chairman of the Governance, Risk Committee of (Al-Madinah Cement Company) - Chairman of the Risk Committee of (the Exports Company)	Bachelor of Law Program	15 years of experience in law and legal investments, and research in Economic affairs. A specialist in corporate regulations, securities, and commercial issues. A legal consultant. In addition to membership in the boards of several companies and committees.
2	Majed Abdul Rahman Al-Osailan	Chairman (Natural Gas Distribution Company)- Vice Chairman of the Board of Directors, Chairman of the Audit Committee and Member of the Risk, Governance Committee (Abdul Latif Industrial Investment Company) -Vice-Chairman of the Board of Directors (Green Solutions for Environmental Services) - Board Member and Executive Committee Member (AGL Financial Services Company) - Board Member, Chief Executive Officer and Executive Committee Member (Al-Madinah Cement Company)	Board Member (Saudi Makameen Holding Company) - Member of the Audit Committee (Murabaha Instalments Company) - Head of Finance, Administrative and Information Technology and Head of Finance (Cement Al Madina Company) - Corporate Banking and Credit and Risk Management (Riyad Bank) - Accounting Department (French Bank)	Master's in business administration, And Bachelor of Accounting	21 years of experience In Management, Credit, Information Systems, Finance and Administration, as well as membership of boards of several companies and committees
3	Mohammad Hamdan Sorayai Al-Sorayai	Head of Corporate Banking Management Team (Saudi British Bank) - Board Member, Audit Committee Member, Risk, Governance (Abdul Latif Industrial Investment Company) - Member of Al-Madinah Cement Audit Committee - Board Member (Al-Jouf Mineral Water Bottling Company)	Chief, Financial Analysis Section (Western Financial Advisory House)	Master of Financial Management Bachelor of Business Administration	8 years of experience in the Banking Department of Major and Institutional Companies and Financial Analysis as well as membership of several companies' boards and committees

Executive Management

S	Name	Current Position	Previous job	Qualifications	Experiences
1	Abdul Latif Omar Al Abdul Latif	Managing Director and CEO	Managing Director and CEO	Completion of general education stages in the Kingdom	34 years of experience in management, industry, and production. In addition to membership in the boards of several companies and committees
2	Fahd Omar Al-Abd Al-Latif	Board Member - Executive Vice President of Al-Abdullatif Industrial Investment Company	Board Member - Executive Vice President of Al-Abdullatif Industrial Investment Company	Bachelor of Media	28 years of experience in management, industry, and production. In addition to membership in the boards of several companies and committees
3	Ahmad Khalaf	Financial director	Financial director	Bachelors in accounting	33 years of experience in the financial field in several industrial companies
4	Saad Al-Qarni	Director of Human Resources - Director of Investor Relations - Secretary of the Board of Directors	Director of Human Resources - Director of Investor Relations - Secretary of the Board of Directors	Bachelors in business administration	28 years of experience in administration and human resources and administrative field
5	Adel Shia'ar	CEO advisor	CEO advisor	Bachelors in architects	35 years of experience in the field of production and administration

Companies inside or outside the Kingdom of which they are members of the company's board of directors is a member of its current and previous boards of directors or one of its managers.

Member Name	Companies' Names which their manager is a member of its current board of directors or one of its directors	within and Outside Kingdom of Saudi Arabia	Legal Entity (Listed shareholding/Unlisted shareholding) WITH LIMITED LIABILITIES	Companies' Names which their members of the board of directors is a member in its previous boards of directors or its managers	within and Outside the Kingdom of Saudi Arabia	Legal Entity (Listed Contribution/ Unlisted Contribution) WITH LIMITED LIABILITIES
Suleiman Omar Al-Abdullatif	- Al-Abdul Latif Group Holding Company (Non-Executive)	Into	Closed Shareholding	- Al-Abdul Latif Group Holding Company	Into	Closed Shareholding
	- Al-Abdullatif Industrial Investment Company (Non-Executive)	Into	Listed Contribution.	- AL Madinah Cement Company	Into	Listed Contribution
	- Red Sea Cables Company(Non-Executive)	Into	Closed Shareholding	- Al-Abdullatif Industrial Investment Company	Into	Listed Contribution.
	Al-Abdullatif Furniture Company(Non-Executive)	Into	Closed Shareholding			
	-Al-Asas Limited Company (Executive)	Into	Limited Liability			
	- Alnamothejyah Modern for Real Estate Company (Executive)	Into	Limited Liability			
	-Alwaseel Maintenance Company (Executive)	Into	Limited Liability			
Majed Abdul Rahman Al-Osailan	- Al-Abdul Latif Industrial Investment Company(Independent)	Into	Listed Contribution	- Al-Abdul Latif Industrial Investment Company	Into	Listed Contribution
	- Al Madinah Cement Company(Executive)	Into	Listed Contribution	- Al Madinah Cement Company	Into	Listed Contribution
	- Natural Gas Distribution Company(Independent)	Into	Listed Contribution	- Natural Gas Distribution Company	Into	Listed Contribution
	- Ajel Company for financial services (Independent)	Into	Closed Shareholding	-Makamen Saudi Holding Company	Into	Closed Shareholding
	-Green Solutions Environmental Service Company (Executive)	Into	Limited Liability			
	- Innovative Alternatives Company for Environmental Solutions(Executive)	Into	Limited Liability			
Abdul Latif Omar Al-Abdul Latif	- Al-Abdul Latif Group Holding Company(Non-Executive)	Into	Closed Shareholding	- Al-Abdul Latif Group Holding Company	Into	Closed Shareholding
	- Natural Gas Distribution Company(non-executive)	Into	Listed Contribution	- Natural Gas Distribution Company	Into	Listed Contribution
	- Al-Abdullatif Furniture Company(Non-Executive)	Into	Closed Shareholding	- Al Reef Sugar Refining Company	Into	Closed Shareholding
	- Al-Reef Sugar Refining Company(Non-Executive)	Into	Closed Shareholding	- Al-Abdullatif Industrial Investment Company	Into	Listed Contribution
	- Al-Abdullatif Industrial Investment Company(Executive)	Into	Listed Contribution			
Samir Mahmoud Haddad	- Al-Abdullatif Industrial Investment Company(independent)	Into	Listed Contribution	- Savola Company-United for Sugar	Into	Listed Contribution
	- Saudi Fisheries Company(Independent)	Into	Listed Contribution	-Al-Sorayai Group (Naseej International Trading Co.	Into	Listed Contribution
	- Al-Reef Sugar Refining Company(Chief Executive)	Into	Closed Shareholding	- Millennium Wavers Company in Belgium/U.S. A	Out	Limited Liability
				- Emaar of King Abdullah Economic City	Into	Listed Contribution
Fahad Omar Al-Abdullatif	- Al-Abdul Latif Group Holding Company(non-Executive)	Into	Closed Shareholding	- Al-Abdul Latif Group Holding Company	Into	Closed Shareholding
	- Al-Abdullatif Industrial Investment Company(Independent)	Into	Listed Contribution	- Al-Abdullatif Industrial Investment Company	Into	Listed Contribution
	- Al-Abdullatif Furniture Company(non-Executive)	Into	Closed Shareholding			
Mohammad Hamdan Al-Sorayai	- Al-Abdullatif Industrial Investment Company(Independent)	Into	Listed Contribution	-	-	-
	- Al-Jouf Mineral Water Company(Independent)	Into	Listed Contribution			
Hisham Abdul Rahman Al-Askari	- Al-Abdullatif Industrial Investment Company(independent)	Into	Listed Contribution	- Al-Abdul Latif Industrial Investment Company	Into	Listed Contribution

A description of any interest and subscription rights of board members or senior executives

S	Name of those who have interests	Beginning of the year 01/01/2022		Until December 31, 2022		Percentage of change
		No. of shares	Debt instruments	No. of shares	Debt instruments	
1	Suleiman Omar Abdul Latif	2.031.250	-	2.031.250	-	0%
2	Majed Abdul Rahman Al-Osailan	100	-	100	-	0%
3	Abdul Latif Omar Al Abdul Latif	-	-	-	-	0%
4	Samir Mahmoud Haddad	-	-	-	-	0%
5	Fahd Omar Al-Abd Al-Latif	1000	-	-	-	100%
6	Mohammad Hamdan Al-Sorayai	-	-	-	-	0%
7	Hisham Abdul Rahman Al-Askar	1200	-	1200	-	0%

A description of any interest and subscription rights of members' wives, senior executives, and their minor children

S	Name of those who have interests	Kinship	Beginning of the year 01/01/2022		Until December 31, 2022		Percentage of change
			No. of shares	Debt instruments	No. of shares	Debt instruments	
1	Suleiman Omar Abdul Latif	-	-	-	-	-	-
2	Majed Abdul Rahman Al-Osailan	-	-	-	-	-	-
3	Abdul Latif Omar Al Abdul Latif	-	-	-	-	-	-
4	Samir Mahmoud Haddad	-	-	-	-	-	-
5	Fahd Omar Al-Abd Al-Latif	-	-	-	-	-	-
6	Mohammad Hamdan Al-Sorayai	-	-	-	-	-	-
7	Hisham Abdul Rahman Al-Askar	-	-	-	-	-	-

Senior Executive Rewards

Name	Senior Executive Jobs	Fixed rewards				Variable Rewards			Total
		Rewards	Allowances (accommodation - transportation)	In-kind benefits (treatment - tickets)	Total	Regular bonuses	Total	End-of-Service Award	
Abdul Latif Al-Latif	CEO	600,000	-	90,284	690,284	-	-	-	690,284
Ahmad Khalaf	Finance Director	95,700	21,000	17,483	134,183	35,750	35,750	٨,٢٥٠	178,183
Adel Shia'ar	Planning, strategy, and investment manager	٤٢٠,٠٠٠	60,000	89,580	569,580	228,000	228,000	٣٥,٠٠٠	832,580
Fahad Al-Abdul Latif	Executive Vice-Chairman	264,000	42,000	41,093	347,093	-	-	-	347,093
Justino	mechanical production technician	258,00	75,000	50,006	383,006	35,600	35,600	٢١,٥٠٠	440,106
Saad Al-Qarni	Director of Human Resources - Director of Investor Relations - Secretary of the Board of Directors	336,000	84,000	74,221	494,221	45,000	45,٠٠٠	35,000	574,221
Wang	mechanical production technician	112,903	٤٢,٠٠٠	17,369	172,272	243,750	243,750	١٠,٠٠٠	426,022
Total		2,086,603	324,000	380,036	2,790,639	588,100	588,100	109,750	3,488,489

Committees Member's Remunerations

Member Name	Fixed Remunerations (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Audit Committee Members			
Majed Abdul Rahman Al-Osailan		6.000	6.000
Saleh Hassan Al Sheikh		10.000	10.000
Abdul Aziz Mohammad Al-Suwaidan		10.000	10.000
Mohammad Hamdan Al-Sorayai		10.000	10.000
Total:4		36.000	36.000
Remunerations and Nominations Committee Members			
Suleiman Omar Al-Abdullatif	0	.	.
Samir Mahmoud Haddad		4.000	4.000
Hisham Abdul Rahman Al-Askari		4.000	4.000
Total:3		8.000	8.000
Executive Committee Members			
Abdul Latif Omar Al Abdul Latif		0	0
Samir Mahmoud Haddad		6.000	6.000
Fahad Omar Al-Abdullatif		0	0
Total:3		6.000	6.000
Members of the Risk, Governance and Compliance Committee			
Hisham Abdul Rahman Al-Askari		4.000	4.000
Majed Abdul Rahman Al-Osailan		4.000	4.000
Mohammad Hamdan Al-Sorayai		4.000	4.000
Total:3		12.000	12.000

The Company Requests to record shareholders, Reasons for requests

The company requests to record Shareholders	Application Date	Reasons for request
1	20-6-2023	Ordinary General Assembly
2	28-12-2023	Extraordinary General Assembly

Sanctions and penalties imposed on the company.

The company acknowledges that no penalties or precautionary restrictions have been imposed on it by the Capital Market Authority, or any other government agency.

CONTRIBUTORS

The shareholders are the real owners of the company and, as a whole, have the sole right to run the company and to set its policies. Therefore, all of them enjoy certain rights to preserve their minority rights. However, in most cases they are responsible only for the loss of their shares, and they aren't obliged by the management of the company and its business. It is recognized that one of the most important rights and advantages of shareholders is the right to attend public associations. They also have the right to discuss the performance of the executive management during the relevant period and the right to vote on all important issues listed in the schedule of the meeting. For instance, approving the increase or reduction of the company's capital through the extraordinary General Assembly, the right to vote in the selection of the board members of the company, the right to vote on the distribution of the company's profits and its amount, and finally the right to receive the rest from the company upon liquidation after paying to the creditors to ensure compliance with best governance practices that protect the rights of shareholders and stakeholders. It is recognized in capital market fundamentals that there is a range of rights and benefits for publicly listed shareholders of joint stock companies that must be maintained by the boards of directors of joint stock companies, who are supposed to be true representatives for the benefit of all owners and not for some owners.

Al-Abd Al-Latif adopts a system that ensures shareholders' right to a share of the redistributable profits, shareholders' right to dispose of shares (in accordance with applicable regulations and regulations), shareholders' right to nominate or dismiss board members and review committee members, and the right to appoint the company's auditors. The company is also committed to providing shareholders with updated and adequate information regarding the date, location, and agenda of the General Assembly meetings, as well as full and updated information regarding the judiciary to be decided upon at the meeting. This will be done in case of any queries on the items raised and listed on the agenda, which include several rights listed in the Regulations, to the board of directors during the General Assembly meetings. These include the right to obtain periodic financial and non-financial information with transparency and clarity that the company must provide to shareholders, and this aspect is supervised by two executives. The first one is The Capital Market Authority, which strictly follows up the necessary announcements and disclosures and impose penalties on the companies delay advertising in time. The second authority is the Ministry of Commerce, which also supervises the annual deposit of financial centers and the follow-up of the requirements of regulations there. Shareholders have the right to attend and vote on items presented at the general assembly of shareholders, the board is responsible to shareholders for the strategic direction of the company and the effective control over management.

Remuneration policy for the Board of Directors, its committees, and the executive management

First: This policy aims to define clear criteria for the remuneration of members of the Board of Directors and its committees and senior executives considering the Companies Law, the regulatory controls and procedures, the Company's Articles of Association, and the Corporate Governance Regulations.

Second: General criteria for rewards

The Remuneration and Nomination Committee is responsible for recommending to the Board of Directors the remuneration of the members of the Board, committees, and senior executives of the company in accordance with the following criteria:

- That the rewards be consistent with the company's strategy and objectives.
- The remunerations are for the purpose of urging the members of the Board and the executive management to make the company a long-term success.
- To determine the rewards based on educational qualifications, practical experience, and the level of performance (considering the practices of other companies in determining the rewards, while avoiding the unjustified rise in rewards and compensation that may arise).
- Considering the sector in which the company operates, its size and the experience of the board members.
- To aim at attracting, maintaining, and motivating professional competencies, without exaggerating them.
- Board members' remunerations may vary to reflect the member's experience, competencies and tasks entrusted to him.

Third: Directors, percentage on profits

- The remuneration of the members of the Board consists of a certain amount, or an allowance for attending sessions, or an allowance for expenses or benefits in kind. In addition, two or more of these benefits can be combined while provided as long as they do not exceed what is stipulated in the Companies Law.
- The annual report of the board of directors to the general assembly of shareholders must include a comprehensive statement of all that the board members received during the fiscal year in terms of remuneration, expense allowances and other benefits, as well as a statement of what the board members received in their capacity as workers, administrators or in return for technical work, or administrative and consulting, if any.
- In all cases, the sum of the remunerations, finances, and in-kind benefits that a member of the Board of Directors received annually should not exceed what is stated in the Companies Law, considering the number of sessions attended.

Fourth: Committee member rewards

- The Board of Directors approves an attendance allowance for members of the committees emanating from it, based on the recommendation of the Remuneration and Nominations Committee.
- Bonuses may be paid to members of the committees emanating from the Board of Directors at the end of the year with the approval of the General Assembly.

Fifth: Executive Management Rewards

- The Remuneration and Nomination Committee reviews the annual remuneration for senior executives according to the performance measurement indicators approved by the Board of Directors. The remunerations and compensations for the executive management include the following:
 - Basic salary to be paid at the end of each calendar month.
 - Allowances include housing allowance and transportation allowance.
 - Medical insurance for him and his family according to the human resources policy.
 - Insurance for work injuries, total or partial disability, and death at work.
 - An annual bonus linked to performance indicators according to the annual evaluation.
 - Other benefits include annual leave, annual travel tickets, and end-of-service benefits according to the work system and human resources policy approved by the company.
- The CEO implements the remuneration policy for the executive management according to the recommendations of the Remuneration and Nominations Committee and the approval of the Board.

Sixth: General authorizations

- Board members may not vote on the board remuneration clause at the shareholders general assembly meeting.
- The company discloses the remuneration of board members, committees, and senior executives in the annual report of the board of directors in accordance with the controls issued under the Companies Law and the Capital Market Authority Regulations.
- The procedures for disbursing the annual bonuses for members of the Board and committees are prepared by coordinating the Secretary of the Board and the Financial Department as it must be provided and approved by the CEO.
- The allowance for attending the meetings of the board of directors and committees may be disbursed after the end of the sessions. As for the annual remuneration of the board or committees, it is paid after being approved in the annual general assembly meeting.

Seventh: Details of the remuneration of members of the Board of Directors and its committees

A-Members of the Board of Directors

- Payment of an attendance allowance of 3000 riyals for attending one session.
- Securing hotel reservations for members coming from outside the city of Riyadh to attend the meeting.
- Securing business class tickets for members coming from outside the city of Riyadh to attend the meeting.
- Granting an annual bonus to each member of the Board of 100,000 riyals after the approval of the General Assembly.

B-Members of Committee Members

- Payment of an attendance allowance of 2000 riyals for attending one session.
- 15,000 riyals annually paid to each member from within the council.
- 20,000 riyals annually paid to each member from out of the council.

The provisions of this policy shall be implemented from the date of its approval by the General Assembly of Shareholders and any proposed amendments are presented to the Board of Directors, which in turn reviews those amendments and recommends them to the General Assembly for approval.

The means adopted by the Board of Directors in evaluating the performance of its committees and members

The members of the Board of Directors have been evaluated through the Committee on Remunerations and Nominations using a template prepared for evaluation, depending on the following items:

Sharing information and ideas, attending meetings regularly and on time, working actively and constructively on the Board of Directors, make constructive and effective participations in meetings, accept feedback and observations that contribute to the discussion of agendas, contributing to addressing differences and finding solutions, share sincere and distinct opinions on the issues raised. They also, must have the ability to prioritize and focus on achieving goals, motivating others to achieve their task perfectly, give advice in debates and deliberations, acquisition of analytical skills to assist decision-making, avoid clashing with others and communicate in a compelling way, contribute new additions to board meetings , initiative in requesting information to gain knowledge, motivating members to participate effectively in the topics raised, focus on achieving the goals, work on linking the goals to the company's strategies, create strategic plans, awareness of each member's mandated tasks.

The members of the Board of Directors were evaluated during the recent meeting of the Remunerations and Nominations Committee in accordance with the criteria of the approved model.

Actions taken by The Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and observations regarding the company and its performance.

The Board of Directors reviews and records the shareholders' suggestions and observations about the company and its performance through the meetings of the shareholders' general assembly. The Board of Directors and Investor Relations inform the Board of Directors of important proposals and observations on a regular basis. As well as receiving the proposals of shareholders through e-mail, interacting with them, and informing the members of the Board Directors with them. The Chairman of the Board of Directors shall also be informed at the first meeting of the members of the Board of Directors, especially non-executives, of the shareholder's proposals, if any.

Business Compete with the Company's work

There is no information relating to any of the company's competitors' business or any branches of activity that engage in it, and also the nature and conditions of such business.

The General Assembly Meetings of the Company

A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the present and absent members of the Board of Directors to these assemblies.

Eighteenth Ordinary General Assembly		
S	name	Eighteenth Ordinary General Assembly Meeting (first meeting) 20-06-2023AD
1	Suleiman Omar Al-Abdul Latif	Present
2	Majed Abdul Rahman Al-Osailan	Present
3	Abdul Latif Omar Al-Abdul Latif	Present
4	Samir Mahmoud Haddad	Present
5	Fahd Omar Al-Abdul Latif	Present
6	Mohammed Hamdan Al-Sorayai.	Present
7	Hisham Abdul Rahman Al-Askar	Present

- The report of the Board of Directors for the year ended in 31/12/2022 was approved.
- The Auditors' report for the year ending in 31 of December 2022 was approved.
- The audited financial statements for the year ended 31 December 2022 was approved.
- The appointment of Mr.Elayouty and Co. to examine, review and audit the financial statements of the second, third and annual quarters of fiscal year 2023, the first quarter of fiscal year 2024, and determine his fees.
- The delegation of the Board of Directors with the authority of the Ordinary General Assembly was approved with the license mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for one year from the date of approval of 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 Bylaws of the Companies Law for Listed Joint Stock Companies.
- The works and contracts to be concluded between the Company and Al-Abdul-Latif Furniture Company were approved which are for the Board Member Mr. Suliman Omar Al-Abdul-Latif, Mr. Abdul Latif Omar Al-Abdul-Latif and Mr. Fahad Al-Abdullatif. Which are mainly wholesale sales of carpet and moquette products. The nature of the relationship is not different from dealings with ordinary debtors and commercial creditors and has no special advantages or conditions taking in account that these transactions are only valid for one year and has to be renewed annually by the general assembly. The value of these transactions during 2022 amounted to SAR 40,151 thousand.
- Paying the Audit Committee members remunerations for the fiscal year ends in 31-12-2022 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are: Mr. Majed Abdul Rahman Al-Osailan (15000 riyals), Mr. Mohammad Hamdan Al-Sorayai (15000 riyals), Mr. Saleh Hassan Al-Sheikh (20000 riyals), and Mr. Abdul Aziz Mohammad Al-Suwaidan (20000 riyals).
- Paying the Nominations and Remunerations committee members remunerations for the fiscal year ends in 31-12-2022 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Hisham bin Abdul Rahman Al-Askar (15000 riyals) And Engineer, Samir Mahmoud Haddad (15000 riyals). As for Mr. Suleiman bin Omar Al-Abdul Latif (Member) he waived his membership remuneration for this committee.
- Paying the Risk Management committee members remunerations for the fiscal year ends in 31-12-2022 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Hisham bin Abdul Rahman Al-Askar (15000), Mr. Majed Abdul Rahman Al-Osailan (15000 riyals), and Mr. Mohammad Hamdan Al-Sorayai (15000 riyals).
- Paying the Executive Committee members remunerations for the fiscal year ends in 31-12-2022 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Samir Mahmoud Haddad (15000 riyals). As for Mr. Abdul Latif bin Omar Al Abdul Latif and Mr. Fahd bin Omar Al-Abdullatif, they have waived their membership remunerations for this committee.
- The disbursement of SAR 100,000 to four members of the Board of Directors was approved as a bonus for the fiscal year ended 31/12/2022 (400,000) SAR (Mr./Majid bin Abdulrahman Al-Osailan, Engineer/Samir bin Mahmoud Haddad, Mr./Mohammed bin Hamdan Al-Sorayai and Mr./Hisham bin Abdulrahman Al-Askar) The remaining three members, Mr. Suleiman Omar Al-Abdul-Latif, Mr. Abdul Latif Omar Al-Abdul-Latif and Mr. Fahad Omar Al-Abdul-Latif, waived their remuneration for their board membership for the year ended 31/12/2022.
- The absolve the Board of Directors members of liability for the fiscal year ended on 31/12/2022 was approved.

Extraordinary General Assembly

S	name	Extraordinary General Assembly Meeting (first meeting) 28-12-2023AD
1	Suleiman Omar Al-Abdul Latif	Present
2	Majed Abdul Rahman Al-Osailan	Present
3	Abdul Latif Omar Al Abdul Latif	Present
4	Samir Mahmoud Haddad.	Present
5	Fahd Omar Al-Abd Al-Latif	Present
6	Mohammed Hamdan Al-Sorayai	Present
7	Hisham Abdul Rahman Al-Askar	Present

- 1- The amendment of the Company's Bylaws was approved per the new Companies Law, and its articles have been reordered and renumbered.
- 2- The regular reserve balance of SAR 241,428,309 as in the financial statements for the year ended 31/12/2022 has been approved for conversion to profit.



5 CHAPTER FIVE

**BOARD OF DIRECTORS
RECOMMENDATIONS.**

Board of Directors' Recommendations

The Board of Directors recommends the shareholders and the present gentlemen at the company's next extraordinary general assembly to vote on the following:

1. Vote and discuss the report of the Board of Directors for the year ending on December 31, 2023.
2. Vote and discuss the auditor report for the year ending on December 31, 2023.
3. Vote and discuss the audited financial statements for the year ending on December 31, 2023.
4. Vote for the appointment of the Company auditor from among the candidates on the recommendation of the Audit Committee; This is for examining, reviewing, and auditing the financial statements for the (second, third and annual) quarters of the fiscal year 2024, and the first quarter of the fiscal year 2025, and determine his fees which amounted to (850.000) riyals.
5. To vote on the authorization of the Board of Directors to authorize the General Assembly in Article 71, paragraph (1), of the Companies' Regulations, for a period of one year from the date of approval by the General Assembly or until the end of the session of the Board of Directors authorized whichever is earlier, in accordance with the conditions of the Companies regulations and regulations issued pursuant to the system of listed shareholders.
6. Voting on the business and contracts that will take place between the company and Al-Abdul Latif Furniture Company, in which Board member Suleiman bin Omar Al-Abdul Latif, Mr. Abdul Latif bin Omar Al-Abdul Latif, and Mr. Fahd bin Omar Al-Abdul Latif have an indirect interest, which is mainly wholesale sales of carpet and rug products. The nature of the relationship does not differ from dealings with ordinary commercial debtors and creditors, and it does not have any special advantages or conditions. The value of these transactions during the year 2023 amounted to (30,651) thousand riyals.
7. Voting on amending the Company's name.
8. Vote on updating the Audit Committee's regulation.
9. Vote on updating the list of Remunerations and Nominations.
10. Vote on the adoption of the Competition Regulation.
11. Vote on updating the policies and procedures of membership of the Board of Directors.
12. Paying the Audit Committee members remunerations for the fiscal year ends in 31-12-2023 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are: Mr. Majed Abdul Rahman Al-Osailan (15000 riyals), Mr. Mohammad Hamdan Al-Sorayai (15000 riyals), Mr. Saleh Hassan Al-Sheikh (20000 riyals), and Mr. Abdul Aziz Mohammad Al-Suwaidan (20000 riyals).
13. Paying the Nominations and Remunerations committee members remunerations for the fiscal year ends in 31-12-2023 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Hisham bin Abdul Rahman Al-Askar (15000 riyals) And Engineer, Samir Mahmoud Haddad (15000 riyals). As for Mr. Suleiman bin Omar Al-Abdul Latif (Member) he waived his membership remuneration for this committee.
14. Paying the Risk Management committee members remunerations for the fiscal year ends in 31-12-2023 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Hisham bin Abdul Rahman Al-Askar (15000), Mr. Majed Abdul Rahman Al-Osailan (15000 riyals), and Mr. Mohammad Hamdan Al-Sorayai (15000 riyals).
15. Paying the Executive Committee members remunerations for the fiscal year ends in 31-12-2023 was approved according to the remuneration policy of the Board of Directors, its committees and executive management and they are Mr. Samir Mahmoud Haddad (15000 riyals). As for Mr. Abdul Latif bin Omar Al Abdul Latif and Mr. Fahd bin Omar Al-Abdullatif, they have waived their membership remunerations for this committee.
16. Vote on disbursement of 100,000 SAR to four members of the Board of Directors as a bonus for the fiscal year ended 31/12/2023 (400,000) SAR (Mr./Majid bin Abdulrahman Al-Osailan, Mr./Samir bin Mahmoud Haddad, Mr./Mohammed bin Hamdan Al-Sorayai and Mr./Hisham bin Abdulrahman Al-Askar) The remaining three members, Mr. Suleiman Omar Al-Abdullatif, Professor Abdullatif Omar Al-Abdullatif and Professor Fahad Omar Al-Abdullatif, are waiving their remuneration for their board membership for the year ended 31/12/2023.
17. Vote on discharge of the Board of Directors members for the fiscal year ended in 31-12-2023.

A number of shareholders, representing 25% of the capital, are required to attend the Assembly and each shareholder has the right to attend the General Assembly meeting. In the absence of a quorum, the second meeting may be held one hour after the expiration of the deadline for the first meeting, nonetheless the second meeting shall be valid, regardless of the number of shares represented. Shareholders who cannot attend on time and wish to entrust others to attend the meeting (non-board members and company employees) are kindly requested to send the necessary authorizations certified by one of the chambers, a local bank, notarial offices or licensed persons, and to send them to Al-Abdullatif Industrial Investment Company, 2nd Industrial City, R. b. 859 Riyadh 11421 Investor Relations at least two days before the meeting. Shareholders need to bring to the meeting (authenticity or agency of their personal cards), and for inquiries please contact t: 287.290.288.289-0112658888, fax: 0112650285. Shareholders of origin or agency and those wishing to attend this meeting shall take the commercial registry/national identity/residence or passport and attend well in advance of the meeting to complete their registration.



Acknowledgments

In conclusion, we express our sincere thanks, appreciation and gratitude to our Government under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud for their efforts, wise decisions and many achievements on led them that deserve pride and reflect their constant desire for the Kingdom's economy and the promotion of its economic and social growth and prosperity.

We would also like to express our deep appreciation and thanks to our valued shareholders for their support and confidence, as well as to our employees for their commitment and dedication over the past year.

Board of Directors of Al-Abdul Latif Industrial Investment