

Board of Directors' Report

32nd Financial Year





In the Name of Allah, the Most Gracious, the Most Merciful



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

King of Saudi Arabia



His Royal Highness

Prince Mohammed bin Salman Al Saud

The Crown Prince, Deputy Prime Minister
Defense Minister



His Royal Highness

Prince Faisal bin Salman bin Abdul Aziz Al Saud

Governor of Al-Madinah Al-Munawwarah Region



His Royal Highness

Prince Bandar bin Khalid bin Faisal Al Saud

Deputy Governor of Al-Madinah Al-Munawwarah Region

REPORT





Dr. Walid bin Muhammad Al-IssaChairman

New Horizons for Sustainable Growth

In the name of Allah, the Most Gracious, the Most Merciful, and peace and blessings be upon the Last of the prophets and messengers, our Prophet Muhammad, his family and companions.

Dear Esteemed Shareholders of Taiba Investments Company,

Assalamu alaikum wa rahmatullahi wa barakatuh

I am pleased to present to you the Annual Report of the Board of Directors for Taiba Investments Company "Taiba" for the financial year ended 31/12/2021, a year filled with many achievements and events with the major ones briefly as follows:

- The study for Taiba merger with Dur Hospitality Company has been commenced, which should the merger procedures are concluded aims at achieving the common interests of both companies in preservation of their assets and incomes by launching a strong entity with a competitive edge and a leading position in the real estate and hospitality market.
- Taiba continued to pursue its plans to execute the development of its real estate hospitality and commercial projects which included the following:
- Inception of renovation works as per international hospitality standards at Taiba Residential Center for the hotel suites owned by Al-Aqeeq Real Estate Development Company "Al Aqeeq" (a fully owned subsidiary of Taiba), along with the opening of a new all-day dining restaurant for the suites' guests, refurbishment of sub-entrances on the ground floor and rehabilitation of electromechanical systems in the building.
- In line with Taiba's strategy to second the management and operations of its hotels to qualified and experienced international hotel chains, a hotel management agreement was signed with Intercontinental Hotels Group (IHG) to manage and operate Crowne Plaza Hotel & Suites in Riyadh. Another hotel management agreement was signed with the international hotel chain AccorHotels to manage and operate a Novotel in Madinah.

- Al Aqeeq started self-operations at a number of its hotels upon the termination of contractual relationships with their hotel operators who were earlier seconded by AlAqeeq to manage or lease them. These hotels are Taiba Front Hotel (formerly Al-Majeedi), Al-Aqeeq Madinah Hotel and Taiba Madinah Hotel.
- Confirming Taiba's strong financial position which assisted Taiba in wading through some of Covid-19 negative implications on Taiba's income that continued for a second successive year resulting in operational losses in the financial statements for this year, however Taiba benefitted from its investment portfolio as the sale of SABIC Agri-Nutrients (formerly SAFCO) shares allowed Taiba to continue distributing its periodic dividends to the shareholders. 2021 dividends for Taiba shareholders reached more than SAR 640 million riyals, representing 40% of the capital.
- Taiba continued to play a significant role in supporting and executing social responsibility initiatives in the year 2021 as detailed in the folds of this report

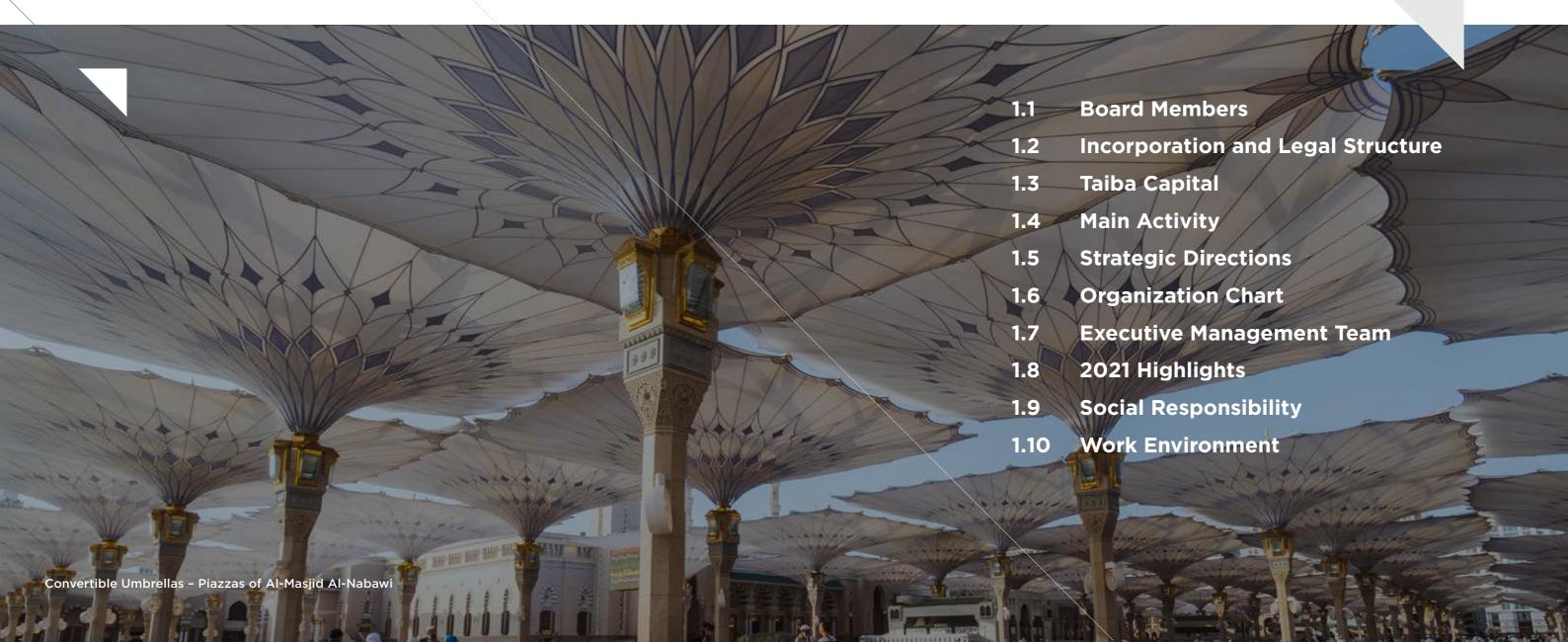
While we recall the achievements of last year and look forward to the future, I can only express my sincere thanks and appreciation to our wise leadership for its care and support to the national economy and the remarkable efforts to develop the city of the Prophet peace be upon him. I would like also to thank all the shareholders for their trust and support, all my fellow Board members and all Taiba associates for their efforts and dedication to achieve greater prosperity and sustainable growth for Taiba.





1 Company Overview





1.1 Board Members



Dr. Walid bin Mohammed Al-IssaChairman of Board of Directors



Eng. Anas bin Mohammed Serafi Deputy Chairman of the Board



Mr. Basel bin Mohammad bin Jabr Board Member



Dr. Badr bin Hammoud Al-Badr Board Member



Mr. Eid Faleh Al-Shamri Board Member



Mr. Ghassan bin Yasser Shalabi Board Member



Mr. Firas Salahuddin Al-Qurashi
Board Member
Representative of Public Investment Fund



Eng. Mohammed bin Abdul Mohsen Al-Grenees
Board Member
Representative of General Organization for Social Insurance



Eng. Muhannad bin Qusai Al-Azzawi Board Member

1.2 Incorporation & Legal Structure

1.3 Taiba Capital

Taiba Investments Company was established as a Saudi joint stock company under Royal Decree no. M/41 dated 16/06/1408H and its incorporation was declared pursuant to His Excellency the Minister of Commerce resolution no. 134 dated 13/02/1409H corresponding to 24/09/1988G. On 10/04/1409H, the company was registered in the commercial registry with the number 4650012403.



1409H / 1988G



Vision

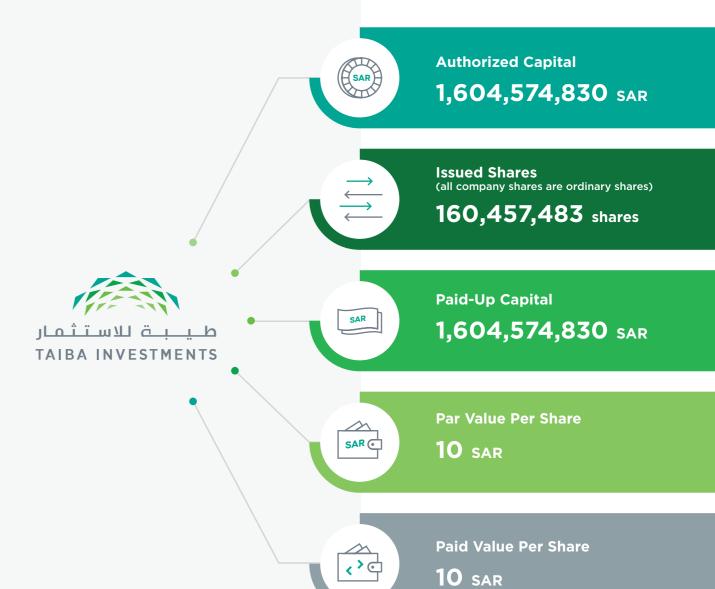
Pioneer in real estate investment and development.



Mission

Commitment to real estate investment and development that achieves rewarding and sustainable returns for shareholders and to staff development.



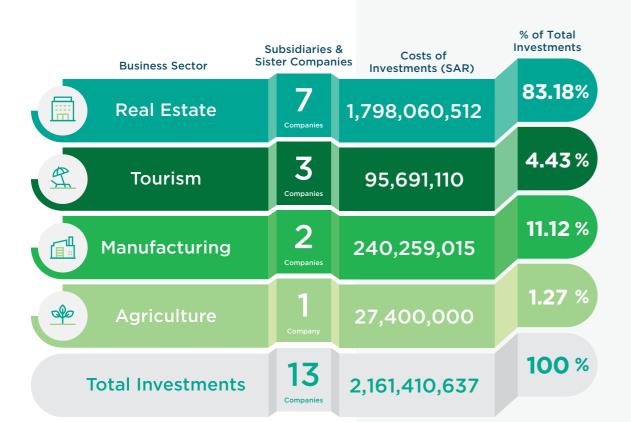


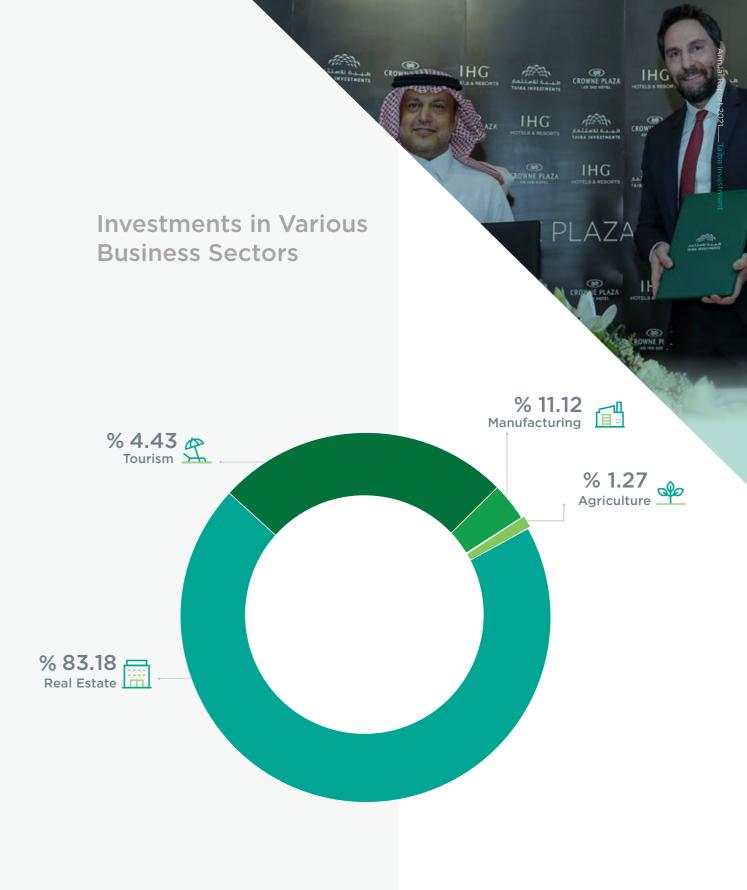
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1.4 Main Activity

Taiba is currently engaged in many activities with diversified investments in a number of sectors through a number of Subsidiaries (where Taiba owns 50% or more of their capitals), Sister Companies (where Taiba owns from 20% to less than 50% of their capitals) and investments in equity instruments not held for trading (where Taiba shares are less than 20% of the their capitals). The below table shows Taiba's costs of investments in various business sectors:

Investments in Various Business Sectors







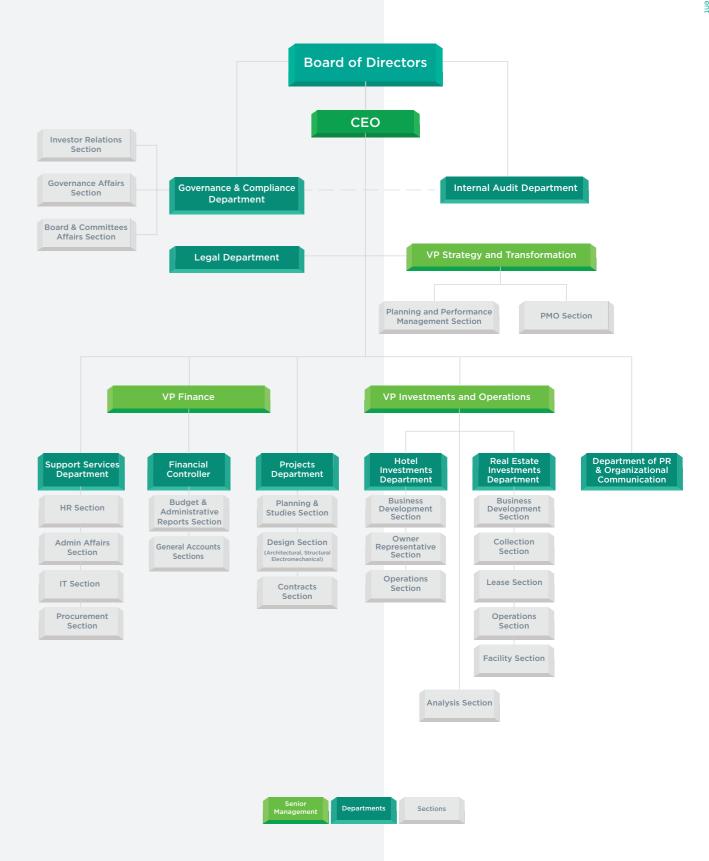
1.5 Strategic Directions

Taiba continued to implement its 2017-2021 Strategic Plan and its updated versions to achieve its future vision as per the current main objectives below:

- Gradual transformation from a multi-purpose company with diverse objectives, investments and activities in various sectors into a company focusing on real estate investment and development business.
- Future investments to be diversified and expanded into various real estate products.
- Development and enhancement of human resource capabilities as per the modern-day administrative practices and advancements in the technological systems keeping pace with the recent developments in this regard.
- Increase the aggregate return on investments with better return on equity for the shareholders.



1.6 Organization Chart



1.7 Executive Management Team (names, qualifications & experience)



Eng. Saleh Habdan Alhabdan CEO

Qualification: Master's in industrial engineering Taiba Joining Year 2019

Experience

In the past 30 years, his diverse experience started from working at Advanced Electronics Company (AEC) for a period of 8 years in the production planning and control department then in business development and projects departments, 7 years as Deputy CEO at Trading Development Partnership (TDP) Company. specialized in power generation & transmission, and served 12 years as the CEO of CERCON General Contracting Company.



Mr. Ayman Hamza Saeed

VP Strategy & Transformation and
Secretary to the Board

Qualification: Bachelor's in Accounting Taiba Joining Year 1992

Experience

He has been working in Taiba Investments for more than 30 years having been assigned during this period to many leading positions, with diverse experience in the fields of investment, financing, administration, governance and finance.



Mr. Mowaffaq Al-ZubiDirector of Legal Affairs

Qualification: Bachelor's of Law (LLB) Taiba Joining Year 1987

Experience

He has more than 40 years of experience in the field of law and legal consultancy, Board of Director & shareholders' affairs, governance and compliance. During his tenure, 34 years at Taiba, 2 years at AlQassim Agriculture Company as a legal advisor and secretary to the Board, and 5 years in Jordan as a certified lawyer.



Mr. Ahmad Mohanad Jaber

Qualification: Bachelor's in Accounting Taiba Joining Year 2018

Experience

More than 28 years' experience at leading positions as Director of Finance in various fields spanning from manufacturing & production sector to real estate & hospitality investment and management in KSA. Also, a member of the American Institute of Certified Public Accountants.



Mr. Sohail Mohammad Al-Ali
Director of Hotel Investments

Qualification: Bachelor's in Accounting Taiba Joining Year 2015

ynerience

More than 10 years' experience in financial affairs and also in all kinds of investments along with supervising and leading the hotel operations' teams at Taiba.



Mr. Hussam Hussain AbutTahir
Director of Real Estate Investments

Qualification: Bachelor's in Business Administration Taiba Joining Year 2018

Experience

Over 20 years of experience in the real estate investment sector, where he held several management positions in reputable international and local companies such as SEDCO Group, Dubai Holding Group, and Savola Group.



Mr. Nizar Abdul Aziz Al-Mellekh Director of Internal Audit

Qualification: Master's in Accounting Taiba Joining Year 2017

Experience

He has international experience for more than 20 years in leading positions and companies qualifying and accrediting him as an audit and finance expert (CIA, CRMA, CPA) in various fields and sectors spanning from consulting, petrochemicals to real estate & investments.



Eng. Malek SalhabDirector of Projects Department

Qualification: Bachelor's in Civil Engineering Taiba Joining Year 2019

Experience

He has more than 26 years of professional experience in the fields of general contracting, project management, engineering affairs and business development. In his tenure, he worked in many local and regional companies and held many positions, the most notable ones as the PMC Director for Makkah MOF projects, Sr. Project Director for Hilton Makkah Convention Hotel Project at Nesma & Partners, Sr. Projects Manager at Damac International and Project Manager for various mega projects In addition to his accomplishments for several major and vital projects.



Mr. Osama Abdullah Madani Director of Support Services

Qualification: Bachelors in Business Administration Taiba Joining Year 2021

Experience

He has long professional experience having held strategic HR roles across industrial, manufacturing, construction, financial, and law firms. He has significant experience in strategic human resource planning, performance management, recruitment, incentive programs, training, organization development, and initiation of talent enhancement programs. He has worked 10 years at Saudi Aramco.

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1.8 2021 Highlights

Annual Report 2021 Taiba Investment

Merger Study

A Board of Directors resolution was issued approving the inception of preliminary discussions with Dur Hospitality Company "Dur" to study the merger of the two companies. The discussions are ongoing till now to comply with the requirements of this phase of the project. Should an agreement is reached between the companies for such merger, it shall be subject to the regulations and approvals of the concerned regulatory authorities along with the consent of extraordinary general assembly in both the companies.





Hotel Management Agreement

In a constant approach to second management and operations of hotels to international hotel operators experienced and qualified in the hospitality industry, a Hotel Management Agreement (HMA) has been signed with IHG (Intercontinental Hotels Group) to manage and operate the Crowne Plaza Taiba Hotel & Suites Project in Riyadh. The award of construction works contract to AlSaad General Contracting Company was also announced for this project located in Olaya District at the intersection of Makkah Al Mukarramah and Al-Takhassusi roads.



Termination of Agreement

Upon the issuance of the Royal Decree with his appointment as the President of the General Authority of Civil Aviation, His Excellency Mr. Abdulaziz bin Abdullah bin Abdulaziz Al Duailej had submitted his resignation from Taiba Board membership as of 13/03/2021. Pursuant to that, the Board of Directors approved the appointment of Mr. Eid bin Faleh bin Saif Al-Shamry as an Independent Board Member in the vacant seat of the Board from 01/05/2021 till the end of the current Board term on 31/12/2023.

Board Appointments

Pursuant to the subject disclosed in 2020 Annual Report pertaining to the termination of Hotel Management Agreements signed between AlAqeeq Real Estate Development Company "AlAqeeq" (a fully-owned subsidiary by Taiba) and Millennium & Copthorne Middle East Holdings Limited - the previous operator of AlAqeeq Millennium Hotel and Taiba Millennium Hotel - both located in Madinah Central Area, the assessment of the termination consequences has yet not been finalized.

Hotel Management Agreement

As a contribution from Taiba to the visitors of Al-Masjid An-Nabawi in providing them with full spectrum hotel services of the highest standards, a Hotel Management Agreement has been signed with AccorHotels to manage and operate Novotel Madinah hotel project, which will be developed in the Western Central Area surrounding the Al-Masjid An-Nabawi in Madinah.



Dividends Distribution

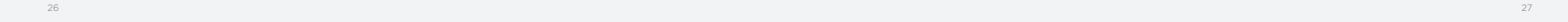
For the Q3 2021, Taiba has distributed exceptional dividends amounting to SAR 641 million at a value of four (4) riyals per share and representing 40% of the capital.

Termination of Agreement

A termination agreement had been mutually signed with Elaf Hotels Company Ltd. pertaining to the lease agreement of AlMajeedi Residential Center (currently the Taiba Front Hotel) which is located in the Central Area of Madinah. The hotel is being managed and self-operated by Al-Aqeeq Real Estate Development Company a fully-owned subsidiary of Taiba.

Investment Opportunity

Taiba had signed a MoU with Shuaa Capital Saudi Arabia for the complete buyout of the two companies owning Centro Waha Hotel Riyadh and Centro Shaheen Hotel Jeddah - which are managed and operated by Rotana Hotel Management Corporation Ltd. The extended MoU term expired without the two parties reaching to any agreement in this regard.





1.9 Social Responsibility

In 2021, Taiba contributed to a number of Corporate Social Responsibility (CSR) initiatives that have a clear and sustainable impact and which best serves the Madinah community. The initiatives included the following:

Humanitarian Charitable Activities:

Down Syndrome Day

On the World Down Syndrome Day, Down Donated gifts to adult and children patients Syndrome children were pleased with the gifts fighting cancer in cooperation with Ahyaha handed over to them at the Madinah Down Cancer Patients Care Society. Syndrome Charitable Association headquarters in Madinah.

Seventh Neighbor

Donated electrical appliances to needy families in Al-Hinakiyah governorate in cooperation with the Al-Humaij Charitable Association for Humanitarian Services.

Blessed Home

Renovated a number of dilapidated homes for Taiba employees participated in the distribution patients who benefit from services provided by of gifts to Haj and Umrah pilgrims. Home Medicine Charitable Association in Madinah.

Eid is a Joy

Donated Eidul Fitr necessities to the beneficiaries

of the Anti-Begging

Get One's Wish

Taiba Winter Clothing

Taiba employees distributed winter clothing to needy families in some districts of Madinah.

Ramadan Taiba Basket

Taiba employees distributed food baskets to the needy people during the holy month of Ramadan.

Visitor's Gift

Educational and Scientific Activities

Taiba's Scholarship

Continued to grant scholarship to a number of bachelor students at University of Prince Mugrin.

We are with you

Sponsored to launch rehabilitation centers at the prisons under the Directorate of Prisons in Madinah Province in cooperation with Rahma Charitable Association for Caretaking Inmates & Their Families.

Let's Empower Them

Sponsored the training of people with special needs through organizing workshops enabling them to work based on their skills and capabilities.

Knowledge is Light

In liaison with the Education Department, sponsored the distribution of laptops to male and female students in some villages located in the vicinity of Madinah.

To Build Generations

Taiba continued to sponsor the construction of a classroom at Madinah International Academy (MADAC).







Health Activities

Safe Route

Donated a bus vehicle to transport cancer patients at King Faisal Specialist Hospital in Madinah.



Speedy Recovery

Sponsored the enhancement of Charitable Health Care Society clinics and equipping them with the required medical supplies.

Sports Activities

Together We Can

Donated sports wheelchairs to the basketball team at Madinah Disabled Club.





General Community Activities

Excellence in Governmental Performance Initiative

As one of the initiatives introduced by Emirate of Madinah Province, sponsored their 2021 awards ceremony.

Let Us Make It Beautiful

In liaison with Madinah Municipality, sponsored a group of painters and calligraphers to sketch aesthetic drawings at one of the landmark locations in Madinah with the aim of eliminating visual irregularities.

For a Pleasant Environment

Taiba employees participated in the cleaning of some public areas in Madinah.



Documentary film

Documentary on Taiba Investments Company's Corporate Social Responsibility (CSR) initiatives and activities







1.10 Work Environment

Participation In Conferences And Exhibitions

As part of its commitment to support the growth in the Saudi hospitality sector and enhance the Kingdom's position across this industry, Taiba participated in the Arab Hotel Investment Conference held in Dubai from 20-22/09/2021 under the slogan "We Rise Together". On the sidelines of the conference, a hotel management agreement was signed with the international hotel chain, AccorHotels, to manage and operate the Novotel hotel in Madinah.

Human Resource

- At 2021 year end, Taiba had a total number of 102 associates of both genders, with 51% Saudization and 13% female employment.
- With the aim of creating a stimulating work environment for Taiba associates and their families, several joint activities were arranged which included the following:
 - Bicycle competitions
- · Robot programming competition for Taiba associates' children in liaison with one of the educational institutes in Madinah.
 - Weekly program for practicing sports.
 - "Biggest Loser" competitions to reduce weight in a specific time period.







Information Technology

With a significant increase in the number of digital initiatives in the government and private sectors in the Kingdom since the launch of Vision 2030, Taiba also took several initiatives aimed at increasing the quality and efficiency of the business processes while maintaining the digital security level. The initiatives included the following:

- 1. Implemented cyber security standards as per the National Cybersecurity Authority manual.
- 2. Initiatives to automate the operational business processes as below:
 - Implementation of the Yardi software for managing shopping malls with their shops and Owners Association at Taiba Suites. Yardi is considered one of the best software globally for the real estate investment activities, and it is a comprehensive administrative and financial software for all the business stages such as marketing, leasing, and collection.
 - Upgradation of the Enterprise Resource Planning (ERP) system from Dynamics 2012 version to Dynamics 365 version which included the automated data linkage of Taiba hotels with the head office in the form of
- direct financial data integration from hotels into the company mainstream system as per the latest technologies and advancements in ERP systems. Dynamics 365 is considered one of the 3 largest ERP systems for businesses globally.
- The Business Intelligence systems are used for data collection, analysis and presentation of large and complex set of data in a Dashboard form that assists in viewing instant business KPI's and identifying the major aspects for business improvement.
- 3. Cloud Computing systems have been applied as per the latest technological trends, which enable access and connectivity to the company systems ensuring their continuity around the clock from anywhere, at any time, and using any authorized device.
- 4. ITIL v4 procedures have been applied to manage the IT processes as per the best operational practices to increase quality, efficiency, and productivity. ITIL v4 is considered one of the world's standard applications to manage IT processes and services.

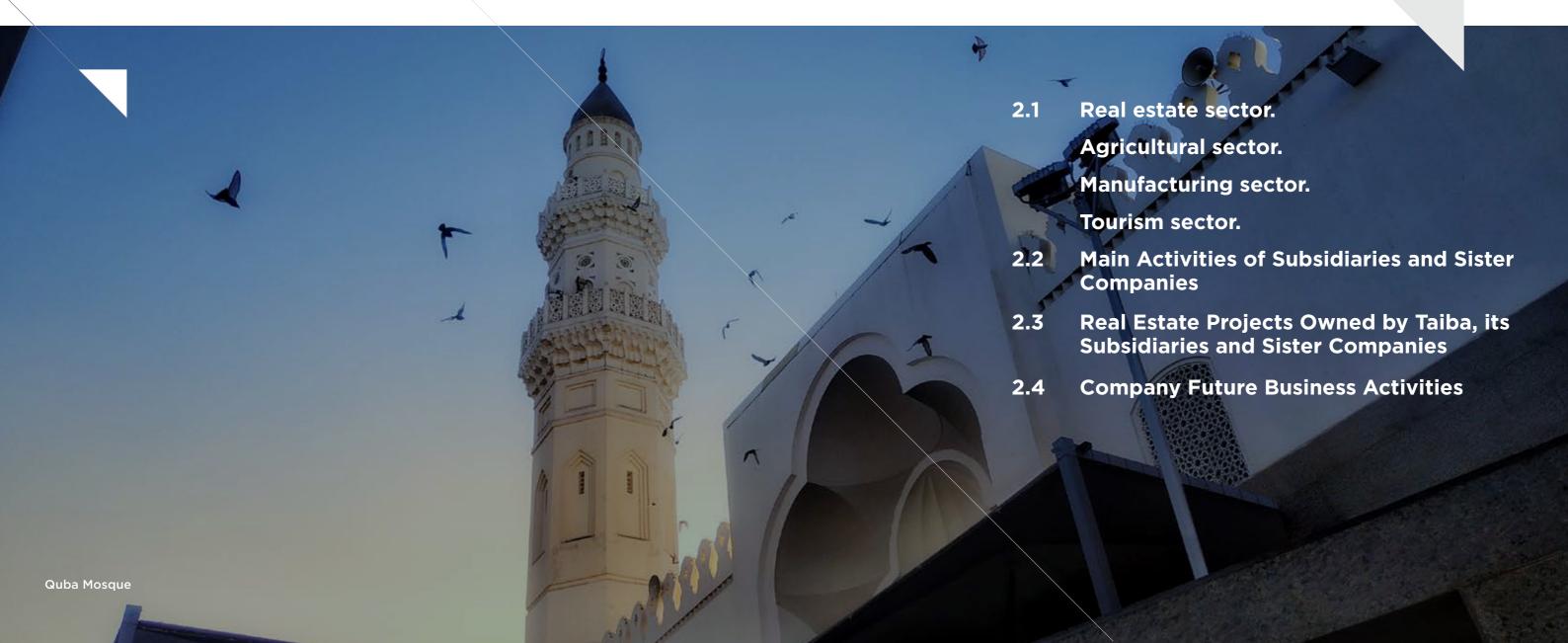






2 Business Sectors





2.1 Business Sectors



Real Estate Sector

Taiba has investments of varying proportions in a number of companies in the real estate sector, with the total costs of investments amounting to SAR (1,798,060,512) which is 83.18% of Taiba total investments, as follows:

Company Name	Legal Entity	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
AL Aqeeq Real Estate Development Co. (AlAqeeq)	Limited Liability Company	Saudi Arabia	Real Estate & Hotels	1,500,000,000	150,000,000	1,500,000,000	150,000,000	100.00%
Makkah Construction & Development Co.	Public Joint Stock Company	Saudi Arabia	Real Estate	1,648,162,400	164,816,240	98,806,600	1,186,581	0.72%
Knowledge Economic City Co.	Public Joint Stock Company	Saudi Arabia	Real Estate & Services	3,393,000,000	339,300,000	108,600,000	10,860,000	3.20%
Seera City for Real Estate Development Co.	Limited Liability Company	Saudi Arabia	Real Estate	20,000,000	200,000	4,000,000 (*)	40,000	20,00%
Kinan International for Real Estate Development Co.	Closed Joint Stock Company	Saudi Arabia	Real Estate	1,200,000,000	120,000,000	29,863,912	2,798,030(**)	2.33%
Knowledge Economic City Developers Co.	Limited Liability Company	Saudi Arabia	Real Estate	830,000,000	83,000,000	55,790,000	4,160,000 (***)	5.01%
Tawd Real Estate Management and Marketing (TAWD) (****)	Limited Liability Company	Saudi Arabia	Real Estate Management & Marketing	1,000,000	100,000	1,000,000	100,000	100%

- (*) There is financing from partners as additional capital of SAR 354,980,900, of which Taiba's share is SAR 71 million .
 (**) During 2021, Kinan International Real Estate Development Company's capital was reduced by cancelling 49.4 million shares and compensating
- shareholders at the nominal value of the share. Taiba share of total compensation amount was SAR 11.5 million.

 (***) During 2021, Taiba purchased AlAqeeq and ARAC shares in KEC Developers Covmpany for an amount of SAR 47,190,000.
- (****) As Tawd company activity has been discontinued, the liquidation process will start in Q1 2022.



Taiba invests in the agriculture sector through its investment in the Taiba Agricultural Development Company (TADEC) in an amount of SAR (27,400,000) which is 1.27% of Taiba total investments, as below:

Company Name	Legal Entity	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
Taiba Agricultural Development Company	Limited Liability Company	Saudi Arabia	Agriculture	50,000,000	500,000	27,400,000	274,000	54.80%



Manufacturing Sector

Taiba has investments of varying proportions in manufacturing companies with total cost of investments reaching SAR(240,259,015) which is 11.12% from Taiba total investments, as follows:

Company Name	Legal Entity	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
SABIC Agri-Nutrients Company (SAFCO previously) (*)	Public Joint-Stock Company	Saudi Arabia	Manufacturing	4,760,354,040	476,035,404	236,759,015	2,277,624	0.48%
Al-Madinah Dates Company (Tomoor)	Limited Liability Company	Saudi Arabia	Manufacturing	10,000,000	100	3,500,000	35	35.00%

(*) During 2021, it was decided to start selling shares owned by Taiba in SABIC Agri-Nutrients Company. Hence, 5.7 million shares were sold resulting in a net profit of SAR 355.5 million, which was directly recognized in the retained earnings.



Taiba has investments in varying proportions in the tourism companies with the total costs of investment amounting to SAR (95,691,110) which is 4.43% of Taiba total investments, as follows:

Company Name	Legal Entity	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
Arab Resort Areas Company. (ARAC) (*)	Closed Joint-Stock Company	Saudi Arabia	Hotels & Tourism	20,000,000	2,000,000	19,991,110	1,999,111	99.96%
Saudi Heritage Hospitality Company (Nuzul)	Closed Joint-Stock Company	Saudi Arabia	Hotels & Tourism	250,000,000	25,000,000	75,000,000 (**)	7,500,000	30.00%
Madinah Airport Hotel Company	Closed Joint Stock	Saudi Arabia	Hotels	2,100,000	210,000	700,000	70,000	33.33%

(*) ARAC optional liquidation was approved pursuant to resolution issued by 14th ARAC EGM held on 27/06/2021, and in accordance with the Companies Law Dr. Mohamed Al-Amri & Company (BDO certified public accountants) was appointed as the liquidator of the company. (**) Till 2021 year end, Taiba has actually paid an amount of SAR 18,750,000 equivalent to 25% of its share in the company capital. The company is in liquidation

Contribution of Activity to Total Revenue

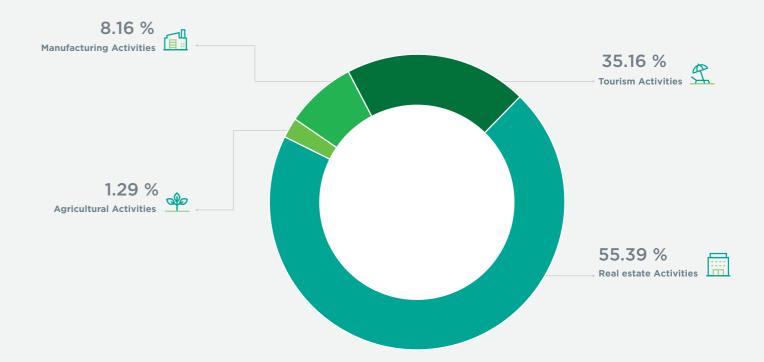
The below table shows volume of Taiba business activities in various business sectors with their geographical distribution and activity contributions to Taiba total revenues in the financial year 2021:

	Business Activities	Province / City (Source of revenue origin)	Volume of Business Activities (SAR)	Activity Contribution to Total Revenue (SAR)	Activity Contribution to (%) Total Revenue
	Real estate	Madinah, Makkah Jeddah, Riyadh	1,919,963,063	78,965,611	55.39 %
2	Tourism	Madinah	1,240,786,445	50,126,250	35.16 %
	Manufacturing	Madinah, Jubail	402,228,398	11,639,392	8.16 %
	Agricultural	Madinah Province	78,228,857	1,843,360	1.29 %
	Total		3,641,206,763	142,574,613	100 %

(*) As per the accounting standards, revenues from the manufacturing activity are recorded and disclosed in a separate clause in the financial statements.

Note: Taiba has no investments abroad the Kingdom.





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2.2 Main Activities of Subsidiaries and Sister Companies

Main Activities of Subsidiaries

Al-Ageeg Real Estate Development Company (AlAgeeg)



Real Estate Sector

Al-Aqeeq is a company fully-owned by Taiba, and it owns and operates Taiba Suites, Taiba Commercial Center, Taiba Front Hotel, Al Majeedi Commercial Center (all overlooking the northern piazza of the Al-Masjid An-Nabawi), and also AlAqeeq Madinah Hotel located to their immediate north in the second row and Taiba Madinah Hotel facing the Al-Masjid An-Nabawi from the southwestern side. It also owns the Novotel Madinah Hotel project located in the western Central Area surrounding Al-Masjid An-Nabawi in Madinah, and the Crowne Plaza Taiba Hotel and Suites project in Riyadh - both under construction. Al-Aqeeq also owns a number of lands near the Central Area in Madinah.

Arab Resort Areas Company (ARAC)



Tourism Sector

Company is in liquidation.

Taiba Agricultural Development Company (TADEC)



Agricultural

TADEC owns and operates a number of agricultural projects for date palm cultivation in the Madinah Province, precisely in the towns of Al-Oshairah, Amtan and Al-Khuraim, with more than 20 thousand palm trees on a total area of 6.7 square kilometers. Also, more than 300 thousand olive trees on an area of 2 square kilometers are cultivated in the Tayma project in Tabuk Province.

Tawd Real Estate Management and Marketing Company



Real Estate Sector

Company activity has been discontinued partially and gradually in preparations for liquidation.

2 Main Activities of Sister Companies

Al-Madinah Dates Company (Tomoor)



Manufacturing Sector

Tomoor owns a dates factory which includes production lines for all kinds of dates such as single, compressed and stuffed dates, date paste, assorted maamoul and date sweets.

Madinah Airport Hotel Company



Tourism Sector

The company owns the five-star Madinah Airport Hotel located inside the premises of Prince Muhammad bin Abdulaziz International Airport in Madinah, and is managed and operated by Millennium hotels & resorts.

Seera City Real Estate Development Company



Real Estate Sector

Ownership of real estate, residential, commercial, health, educational, and sports complexes and recreational centers along with their management, and investing in developing lands and constructing buildings for their sale or lease.

Saudi Heritage Hospitality Company (Nuzul)



Tourism Sector

Company is in liquidation.

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Main Activities of Non-Trading Equity Instruments

Knowledge Economic City Company.



Real Estate Sector

Real estate development for reclaimed and other types of lands in economic cities or other cities as mixeduse developments or other types of developments, including infrastructure, communication networks, water, electricity, desalination plants and other works related to the development of economic cities.

Knowledge Economic City Developers Company.



Real Estate Sector

Ownership of real estate, residential, commercial, health, educational, and sports complexes and recreational centers along with their management, and investing in developing lands and constructing buildings for their sale or lease.

Kinan International Real Estate Development Company.



Real Estate Sector

Property management, residential development and commercial centers in a number of cities in the Kingdom. Kinan has developed residential schemes in Riyadh on an area of approximately 1 million square meters and an area of 2,8 million square meters in Jeddah comprising of 17,000 residential units and with investments exceeding SAR 6 billion riyals. Kinan has also developed and operates a number of commercial centers.

SABIC Agri-Nutrients Company. (formerly SAFCO)



Manufacturing Sector

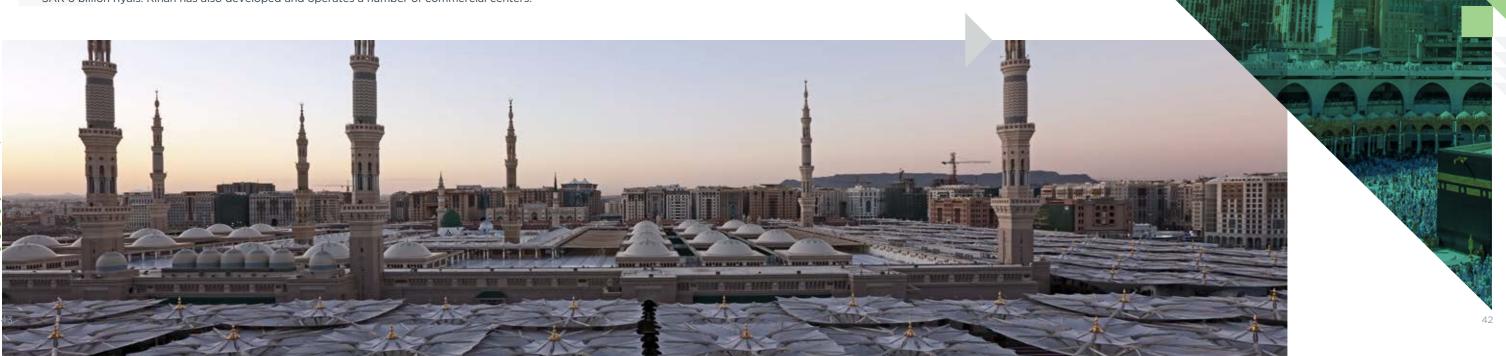
Production, conversion and manufacturing, marketing and trading in fertilizers and agri-nutrients of all types inside the Kingdom and abroad, including, without limitation, Ammonia and Urea, and to that end, the Company may carry out all manufacturing, commercial and financial activities, of any and all types, for its own account or for others.

Makkah Construction & Development Company.



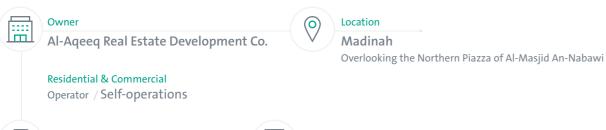
Real Estate Sector

Development and ownership of real estate properties adjacent to the Grand Mosque in Makkah, along with their renovations, leasing and operations. The most prominent project of the company is the giant residential and commercial complex overlooking the Grand Mosque and its piazzas in Makkah with more than 1,100 guestrooms, 450 shops, parking and other facilities.





Taiba Suites Madinah





Taiba Front Hotel

	Owner	(0)	Location
	Al-Aqeeq Real Estate Development Co.	V	Madinah Overlooking the Northern Piazza of Al-Masjid An-Nabawi
	Residential & Commercial Operator / Self-operations		
=	No. of Rooms and Suites	No. of 114	Shops

45





Al Aqeeq Madinah Hotel



Al-Aqeeq Real Estate Development Co.



Madinah

The Northern Side of Al-Masjid An-Nabawi

Residential & Commercial Operator / Self-operations

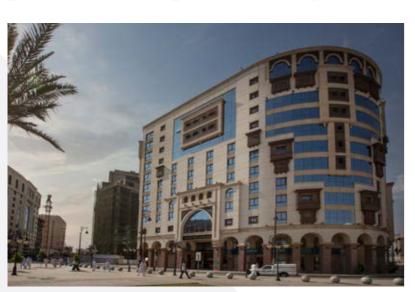


505











Taiba Madinah Hotel



Al-Aqeeq Real Estate Development Co.



Location

The South-Western Side of Al-Masjid An-Nabawi

Residential & Commercial

Operator / Self-operations













Millennium Madinah Airport Hotel



Madinah Airport Hotel Company

Operator / Millennium Hotels & Resorts



Madinah

King Salman Road, inside Prince Muhammad bin Abdulaziz Airport premises







No. of Meeting & Banquet Rooms





Dar Al Kawthar Hotel



Taiba Investments Company.



Western Central Area surrounding Al-Masjid An-Nabawi

Tenant / Dar Al-Eman Trading Company







2.4 Company Future Business Activities

Following are the major future business activities of Taiba:

A. Taiba plans to develop a number of real estate projects in the form of hotel rooms and suites and shopping malls. The major future business activities and investments is the execution of the following projects:





Classification

5 Stars



Location

Madinah

Plot nos. 108 & 153, Northern Central Area surrounding Al-Masjid An-Nabawi.



Land area

2,005 m²



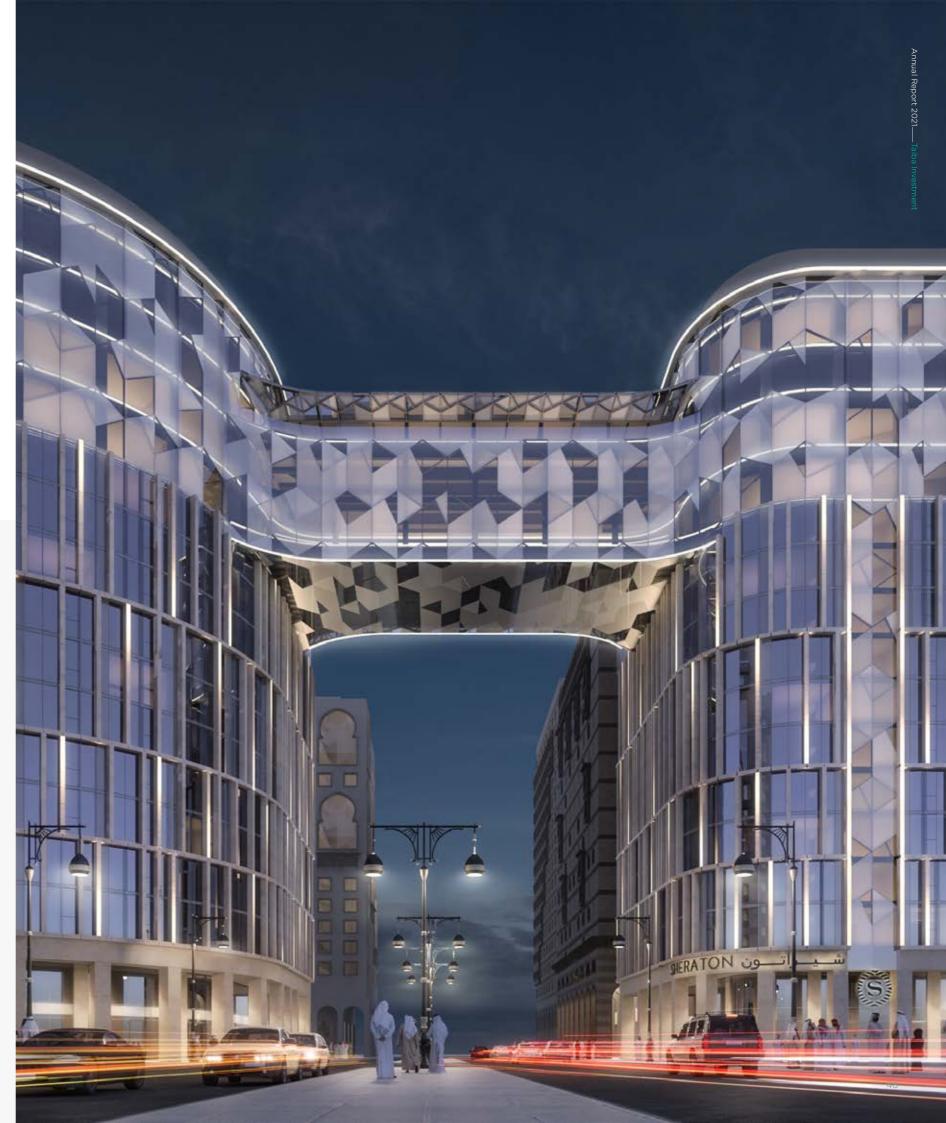
The project consists of

Two hotel towers on two plots intersected by a major road are connected via an interlinking bridge from 10th to 12th floor which will accommodate the hotel reception and other public spaces. The towers consist of total 19 floors including ground and mezzanine floors, and 13 typical floors with a total of 435 guestrooms including standard rooms, suites and royal suites. The 4 basements and the mezzanine are allocated for parking and hotel support services. The hotel includes all-day dining restaurant and a number of showrooms.



Expected Opening Date

Q3 2025





Potel Project Madinah Novotel



Classification

4 Stars



Location

Madinah

Plot nos. 2018 & 2019 Western Central Area surrounding Al-Masjid An-Nabawi



Land area

1,822 m²



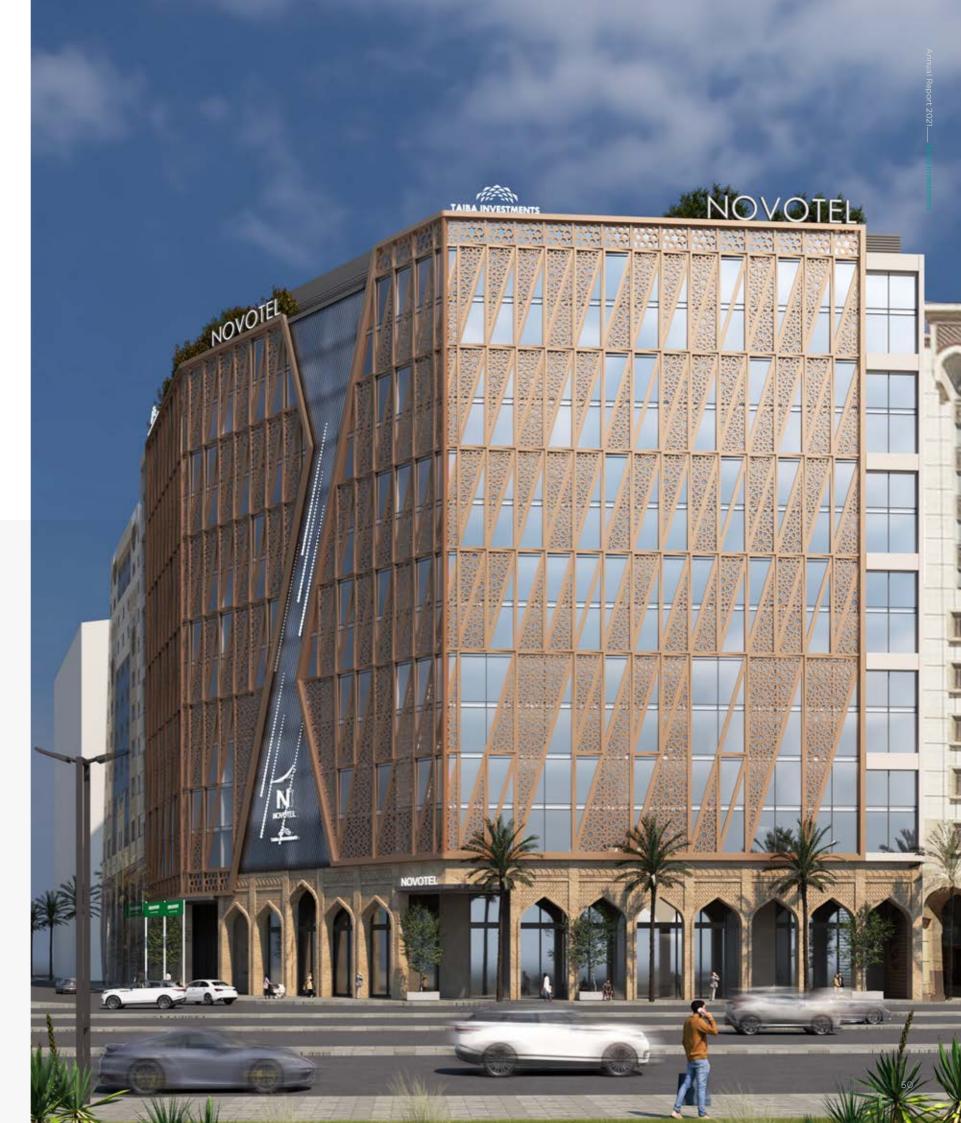
The project consists of

A hotel project consisting of 18 floors with a ground floor and a mezzanine which accommodate hotel facilities, 12 typical floors with 20 suites and 374 hotel rooms, and 4 basements used as car parks.



Expected Opening Date

Q1 2025





Hotel & Suites Project Crowne Plaza Taiba Riyadh



Classification

4 Stars



Location

Riyadh City
Al-Olaya District at the intersection of
Makkah Road and Al-Takhassusi Road



Land area

11,073 m²



The project consists of

Hotel rooms and apartments with a shopping arcade distributed into total of 18 floors. From 2nd to 8th floors, 7 floors are the 110 hotel apartments, while from 9th to 14th floors 6 floors are assigned for the 192 hotel rooms. The shopping arcade is on the Ground and 1st Floor. On the roof floor are the leisure facilities comprising of a health club and a swimming pool. 2 basements are allocated for car park while 1 basement for services.



Expected Opening Date

Q4 2024





Hotel & Suites Project DoubleTree By Hilton



Classification

4 Stars



Location

Jeddah

Next to Flag Square, east of Al-Andalus Road, Al-Ruwais District



Land area

9,585 m²



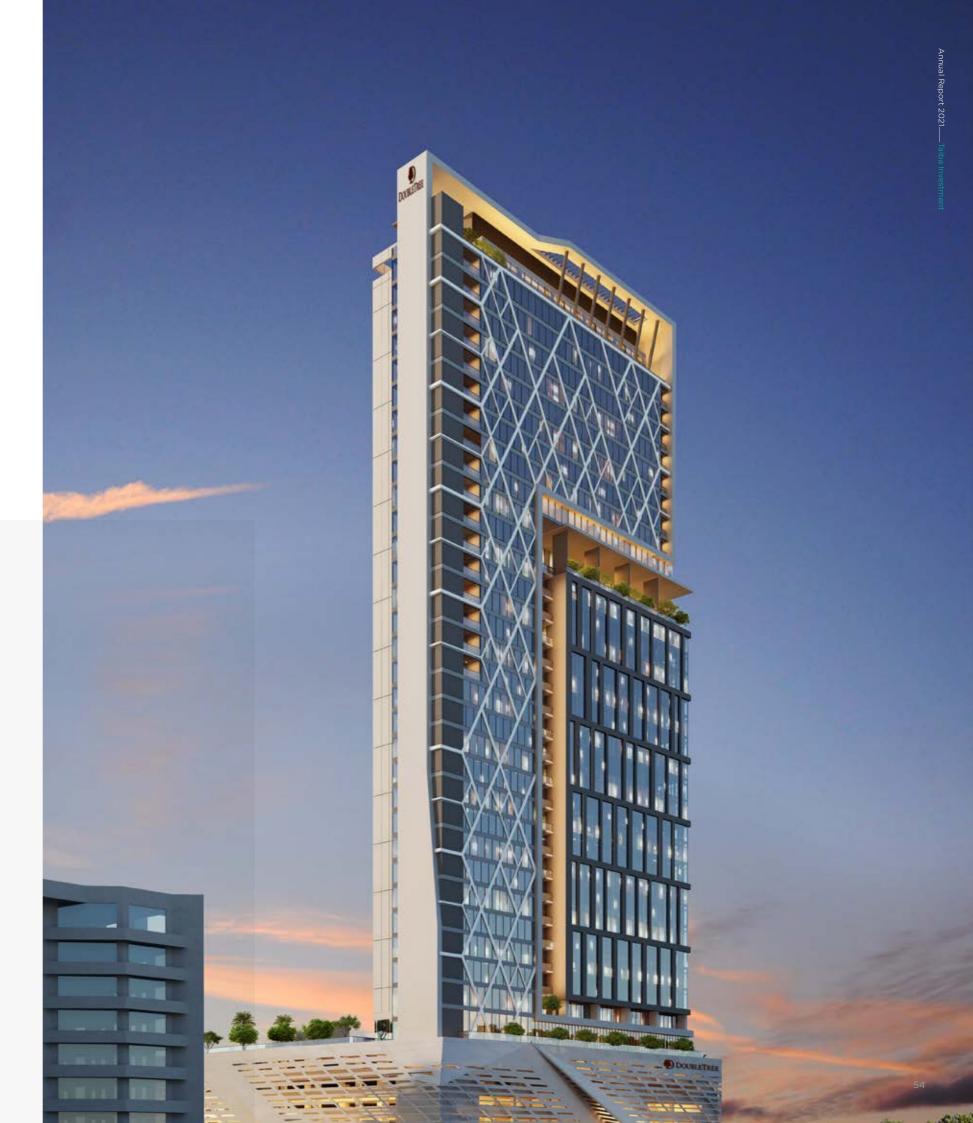
The project consists of

42 floors divided into two components. One component comprises of 8 floors including parking, reception and other support services, and the other component is for the guests consisting of 32 typical floors with 207 apartments, 246 guestrooms, restaurants and service floors, and 2 floors for the roof. The hotel has indoor and outdoor swimming pools, meeting rooms and recreational facilities. The tower overlooks major landmarks such as the Flag Square and King Fahd Fountain, and also the Red Sea coast.



Expected Opening Date

Q4 2026



Renovation Project Taiba Suites Madinah



Classification

4 Stars



Location

Madinah

Overlooking the northern piazza of Al-Masjid An-Nabawi



Project Update

The renovation works for 110 hotel suites are in progress along with the rehabilitation of electromechanical works in the entire building. These are executed in 3 phases with the expected completion in Q4 2022.



6 Project Mixed-Use



Land area

46,382 m²



Location

Madinah

South of King Abdullah Ring Road near Sayed Al Shuhada Square.



Project Status

Under study



Project Hamra Al-Asad Land



Land area

55,677 m²



Location

Madinah

Abi Kabir area in Hamra al-Asad District, southwest of Madinah.



The Project Consists of

Construction of a staff housing compound with a central laundry and kitchen, smart warehouses, and an admin building to provide logistic support to Taiba hotels and other hotels in Madinah.





Land area

9,998 m²



Location

Riyadh King Abdullah bi

King Abdullah bin Abdulaziz Road adjacent to Riyadh International Convention and Exhibition Center

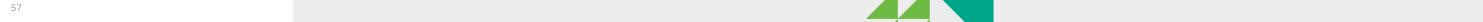


Project Status

The development study for the project has been discontinued due to the land expropriation announcement for the development of King Salman Park project in its place.

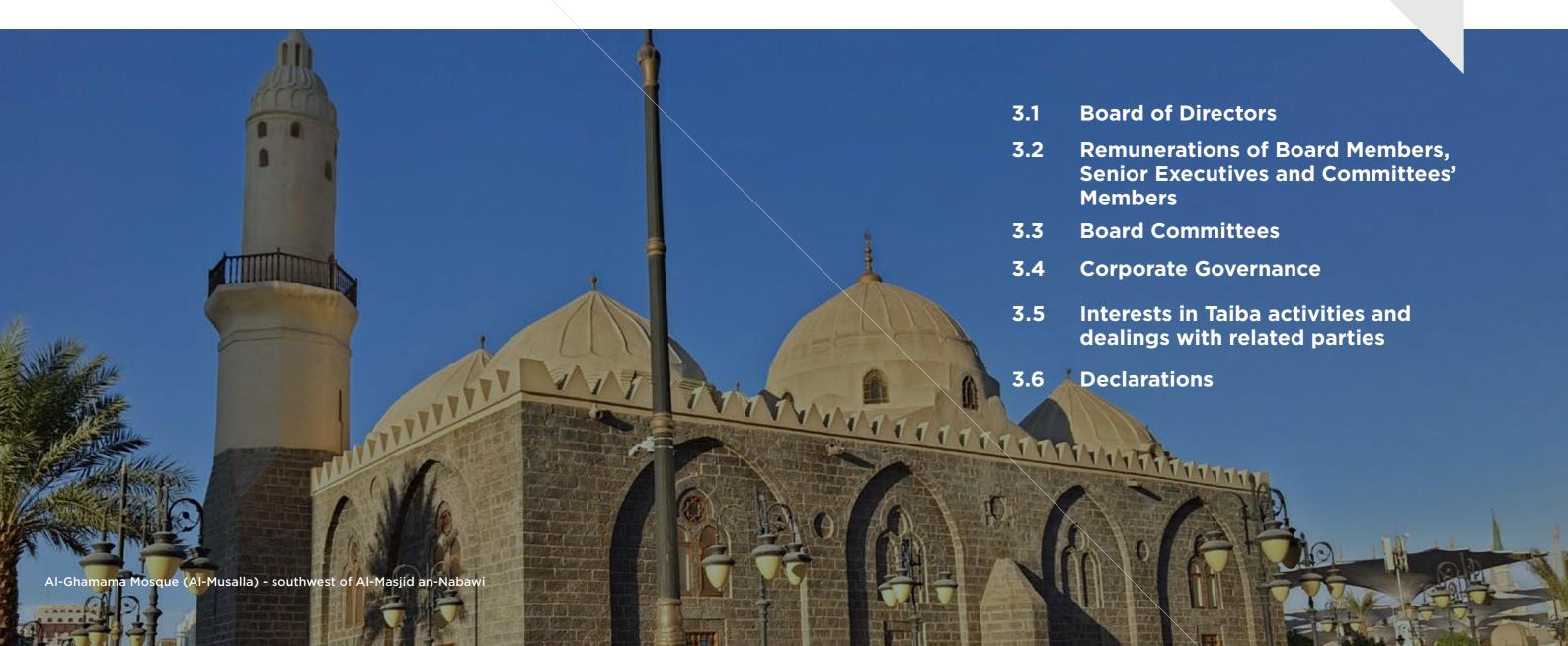
B. As part of Taiba's pursuit for its strategic direction of focusing on real estate investment and development activities, Taiba will continue to divest from its investments that do not conform with this strategic direction.





3 Governance





3.1 Board of Directors

Board Members' Names, Membership Categories, Qualifications, **Experiences and Memberships in Board Committees:**

Taiba Board of Directors consists of members as follows:



Dr. Walid Mohammad Alissa Non-Executive

Experience

- · Assistant Professor of Accounting at HEC Paris in France .
- Board memberships in the boards of a number of joint stock companies
- Experience in real estate investment and development
- · Contributed to the issuance of a number of university scientific researches and lectureships at international universities

Current Roles

Previous Roles

- Managing Director of Assila Investments Company.
- · Chief Investment Officer Assila Investments Company.
- Associate Professor of Accounting HEC Paris School of Management, Paris, France.

Qualification

• Bachelors of Architectural Engineering.

Board Committees' Memberships

• Member of Projects Committee.

• Member of Social Responsibility Committee.

Qualification

Committee.

Committee.

• PhD in Accounting.

Board Committees' Memberships

• Chairman of the Social Responsibility

Member of Remuneration and Nomination



Eng. Anas Mohammad Saleh Serafi Non-Executive

Experience

- Founder and president Abnia Consulting Engineers Office
- Member of Founding Committee Bank Albilad.
- Chairman of Executive Committee Saudi Society for Urban Sciences, Jeddah Branch .
- Member of Saudi Council of Engineers in the capacity of advisor and Council certified category A arbitrator

Current Roles

• CEO of Al-Salihat Holding Company. (Saleh Hamza Serafi Group of Companies for Trade and Business)



Mr. Basel Mohammad Bin Jabr Independent

Held previously leading positions in business development and investments at several companies. He is a Board member in the boards of several

Qualification

• MBA.

Board Committees' Memberships

- Chairman of the Remuneration and Nominations Committee
- Member of the Projects Committee.
- Member of Merger Committee Taiba.

Current Roles

• Investment Consultant.

Previous Roles

- Acting VP Business Development at Saudi Bin Laden Group.
- President Alsubeaie Investment Company (MASIC).
- CEO Interactive Saudi Arabia Company.
- CEO Al-Malaz Company for Technological Investments.
- Secretary General Permanent Committee for E-Commerce.



Dr. Badr Hamoud Al-Badr Independent

Qualification

• PhD in Computer Science Engineering.

Board Committees' Memberships

· Member of Investment Committee.

Experience

Held a number of leading positions in the technological, hospitality and real estate investment business sectors. At present, he is the CEO of Mohammed bin Salman Misk Foundation. He is also a board member in the boards of several companies and charitable organizations.

Current Roles

• CEO of Misk Foundation

Previous Roles

- CEO Dur Hospitality.
- General Manager Saudi Arabia Cisco Systems.
- Managing Director Smart Communities and Cities, Asia & Africa Cisco Systems.
- CEO Ragmiah Company.
- CEO Awalnet.



Mr. Ghassan Yasser Shalabi Non-Executive

Qualification

• Bachelor of Business Administration

Board Committees' Memberships

- · Chairman of Investment Committee.
- Member of Remuneration and Nomination Committee.

Current Roles

Previous Roles

• CEO of Strata International Group for Investment.

• International Sales - Saudi Aramco Company - Oil Refinery.

• Multiple experiences in the fields of real estate and industrial investment.

• Board memberships in several local and international companies.

- International sales Saudi Aramco Oil Refinery
- · CEO Sitec Information Technology.



Mr. Eid bin Faleh Al-Shamri Independent (Board Member since May 1, 2021)

Qualification

• Bachelor of Science in Industrial Management.

Board Committees' Memberships

- Member of Audit Committee since 01/01/2021.
- Member of Social Responsibility Committee since 01/05/2021.

Experience

He has professional experience of more than thirty years. During his tenure, he has held many leadership roles in Saudi and international banking, investments and other business sectors, along with administrative and financial consultancy experience. He is a board member in the boards and their committees in a number of Saudi public joint stock companies. He is a licensed US Certified Public Accountant (CPA) from Colorado State.

Current Roles

Consultant for a number of companies in the Kingdom.

Previous Roles

- CEO Ithraa Capital Company.
- Deputy GM Al Saif Investments Company.
- Owner Eid Al-Shamri Office for Administrative and Financial Consultancy.
- CEO Inmaia Real Estate and Tourism Development Company.
- Head of Mergers, Acquisitions & Direct Investments Department National
- Senior Manager of Banking Services Department Saudi American Bank (SAMBA).
- Auditor PriceWaterhouseCoopers, Ohio, USA .



Mr. Firas Salahuddin Al-Qurashi Non-Executive Representative of the Public Investment Fund

Qualification

• Master of Finance and Banking.

Board Committees' Memberships

· Member of Audit Committee.

• Many administrative and financial positions and multiple experience in financial and other activities at banks.

Previous Roles

- Director of Accounting and Financial Control at PIF.
- Director of Financial and Administrative Affairs, Water and Electricity Company.



Eng. Mohammed Abdul-Mohsin Al-Grenees • Chairman of Audit Committee Non-Executive, Representative of GOSI

Qualification

• Bachelor of Chemical Engineering

Board Committees' Memberships

- Member of Investment Committee • Member of Merger Committee - Taiba

- Long experience in managing stocks investment portfolios and money markets.
- Board member Saudi Investment Bank

Previous Roles

- Local Stocks and Fixed Income Manager Ra'idah Investments Company
- Investment Portfolio Manager Jadwa Investments Company



Eng. Muhannad Qusai Al-Azzawi Independent

Experience

- Multiple experience in the field of industrial construction and engineering projects
- Member of several boards joint Saudi European business chambers.
- Board member and member of the Executive Committee General Civil Aviation Authority.
- Board member and chairman of the Investment Committee Saudi Golf Federation.
- Participated in many joint committees between the private and government sectors to develop the contracting sector.

Current Roles

- CEO of Saudi Industrial Construction and Engineering Projects Company Ltd.
- CEO of Saudi Technology and Trade Company Ltd.
- CEO of Al Wusata Development Company.



Mr. Abdul Aziz bin Abdullah Al-Duailej

Independent - Memberships in Board & Committees ended March 13, 2021

Qualification

• Bachelor of Computer Engineering.

Board Committees' Memberships

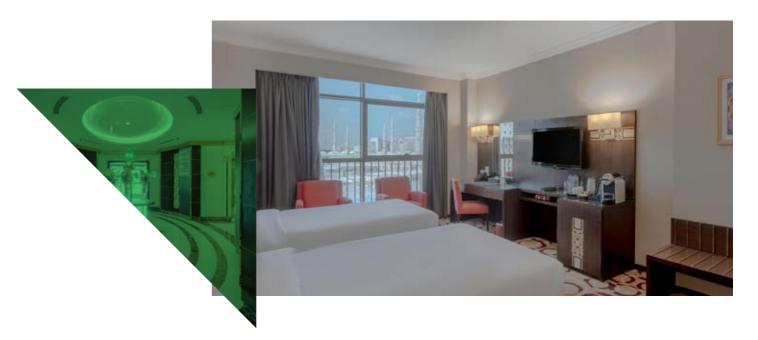
• Chairman of Merger Committee - Taiba.

· Chairman of Projects Committee.

• Member of Remuneration and

• Member of Investment Committee.

Nomination Committee.



Current and former board memberships or managers in companies inside or outside the Kingdom

Name	Current board members or managers in companies	Legal Entity	Inside / outside the Kingdom	Former board members or managers in companies	Legal Entity	Inside / outside the Kingdom
	Board member and member of the Audit Committee SABIC Agri-Nutrients Company Board member and member of the Executive Committee - Knowledge Economic City Company	Public Joint Stock Company		Herfy Food Services Company.	Public Joint Stock Company	
Dr. Walid Mohammad	Managing Director in the Board & Chairman of Investment Committee - Assila Investments Company	Closed Joint-Stock Company	Kingdom			Kingdom
Alissa	Chairman of the Board - Al-Aqeeq Real Estate Development Company. Chairman of the Board - Assila Hospitality Co. Ltd. Chairman of the Board - Assila Operations & Maintenance Co. Ltd. Chairman of the Board - Burj Assila Hotel Services Co. Ltd. Board member - Makarim Al-Ma'rifa Hospitality Co. Ltd. Board member - Al-Gharra International Real Estate Dev. Co. Ltd.	Joint-Stock Company Page 14 page 15 p		Arab Resort Areas Co (ARAC) Fiber Glass Oasis Co. (FGOC) Saudi Heritage Hospitality Company (Nuzul)	Closed Joint-Stock Company	inside the Kingdom
Eng. Anas Mohammad Saleh Serafi	Deputy Chairman of the Board - Al-Aqeeq Real Estate Development Company	Closed	Kingdom	Jabal Omar Development Company Al Tayyar Travel Group Holding Company	Listed Joint Stock Company	Kingdom
	Board member - Wadi Taiba Company Board member - Jurhum Company	Joint-Stock Company	inside the	Umm Al-Qura Development and Construction Company Wadi Makkah Company	Closed Joint-Stock Company	 inside the Kingdom
	Board member, member of Investment Committee & chairman of Risk Committee - Allianz Banque Saudi Fransi Board member and member of Nominations Committee - Jarir Company	Public Joint Stock Company			Closed Joint-Stock Company	
Mr. Basel Mohammad Bin Jabr	Board member and chairman of Risk Committee - Riyad Capital Board member and member of Investment Committee - Technology Investment Company Board member and a member of the Executive Committee - Al Tayseer Financing Company Board member and member of Audit Committee and Renumeration & Nominations Committee - Arch Capital Board member, chairman of Renumeration & Nominations Committee and Mominations Committee - Food Basics	Closed Joint-Stock Company	inside the Kingdom	• Malaz Capital		inside the Kingdom
	Board member - Misk Foundation and its subsidiaries Member of Board of Trustees - Al-Yamamah University Board Member - Hessa Al Qubaisi Education Scholarships Program	Non-profit Organization	- Wo	• Dur Hospitality Co.	Public Joint Stock Company	lom
Dr. Badr Hamoud Al-Badr	Board member - DownTown Company Chairman of the Board- Saudi Hospitality Company (SHC).	Closed Joint-Stock Company	I inside the Kingdom	Saudi Heritage Hospitality Company (Nuzul)	Closed Joint-Stock Company	nside the Kingdom
	Board member - Waseel Company Board member - Nawafeth for Medical Information Company	Limited Liability Company	- <u>:</u>	Nuzul Shaza Company.	Limited Liability Company	_ <u>;</u> _

Name	Current board members or managers in companies	Legal Entity	Inside / outside the Kingdom	Former board members or managers in companies	Legal Entity	Inside / outside the Kingdom
Board member and member of Audit Committee - Al-Hassan Ghazi Ibrahim Shaker Company Board member and chairman of Audit Committee - Fawaz Abdulaziz Alhokair Company Member of Audit Committee - Almarai Company Board member, member of Audit Committee, and member of Governance, Renumeration & Nomination Committee - Aldrees Petroleum & Transport Services Company Board Member deep		Public Joint Stock Company	l inside the Kingdom	Bank Saudi Fransi. Amana Cooperative Insurance Company.	Public Joint Stock Company	inside the Kingdom
Board Member since 01/05/2021	Board member - Gulf Stevedoring Contracting Co. Ltd. (GSCCO)	Limited Liability	inside t	Aldrees Industrial & Trading Company (Alitco) Inmaia Real Estate and Tourism Development Company	Closed Joint- Stock Company	inside th
	(dscco)	Company		• RDB-Elseif Co. Ltd.	Limited Liability Company	_
Mr. Ghassan Yasser Shalabi	Board member - Al-Aqeeq Real Estate Development Company. Board member, chairman of the Executive Committee, and member of Audit Committee - Arab Resort Areas Company (ARAC).	Closed Joint- Stock Company	Inside the Kingdom	• Fiber Glass Oasis Co. (FGOC)	Closed Joint- Stock	inside the Kingdom
	Chairman of the Board - Strata International IT Co.	Limited Liability Company	inside		Company	inside
Mr. Firas Salahuddin Al-Qurashi						
Eng. Mohammed Abdul Mohsin Al-Grenees	Board member - Saudi Investment Bank	Public Joint Stock Company	inside the Kingdom			
	Board member and member of the Executive Committee - General Authority of Civil Aviation (GACA) Board member - Saudi Contractors Authority Board member - Saudi Golf Federation	Public Authority				
	Board member & member of Remuneration and Nominations Committee – Al-Rajhi Company for Cooperative Insurance (AlRajhi Takaful)	Public Joint-Stock Company				
Eng. Muhannad Qusai Al-Azzawi	Chairman of the Board and member of the Remunerations and Nomination Committee - Merrill Lynch Saudi Arabia (MLKSA) Chairman of the Board and chairman of Executive Committee - Binladen International Holding Group (BIHG) Board member, member of Executive Committee and the Governance, Remuneration and Nominations Committee - Gulf International Bank Saudi Arabia (GIB-KSA Board member and chairman of the Investment Committee - Saudi Golf Company	Closed Joint-Stock Company	l inside the Kingdom			



65

Board Meetings

Name -			2021 Meetings	5		Total	
Name -	25 Feb	28 Apr	12 Jun	01 Sep	14 Dec	Attendance	
Dr. Walid Mohammad Alissa	✓	✓	✓	✓	✓	5	
Eng. Anas Mohammad Saleh Serafi	✓	✓	✓	✓	✓	5	
Mr. Basel Mohammad Bin Jabr	✓	х	✓	✓	✓	4	
Dr. Badr Hamoud Al-Badr	✓	✓	✓	✓	✓	5	
Mr. Eid Faleh Al-Shamri Board member since May 1, 2021	-	-	✓	✓	✓	3	
Mr. Ghassan Yasser Shalabi	✓	✓	✓	✓	✓	5	
Mr. Firas Salahuddin Al-Qurashi	✓	✓	✓	✓	✓	5	
Eng. Mohammed Abdul-Mohsin Al-Grenees	✓	✓	✓	✓	✓	5	
Eng. Muhannad Qusai Al-Azzawi	✓	✓	✓	✓	✓	5	
Mr. Abdul Aziz bin Abdullah Al-Duailej Memberships in Board & Committees ended March 13, 2021	х	-	-	-	-	0	

Board of Directors policy for shareholders' suggestions

The internal policy for Board of Directors stipulates the "mandatory attendance of the board members at General Assembly meetings" with the purpose of responding to shareholders' queries upon receiving their comments and suggestions pertaining to the company and its performance.

Article 28 of the Company Bylaws allows the shareholders to participate in discussions and deliberations at General Assembly meetings with the right to query, request for information and get their queries answered without prejudice to the interests of the Company, in addition to the communication channels available on the Taiba website.

Review of Board member independency and conflict of interests in the financial year 2021

In line with the provisions of Taiba Governance Regulations, the Remuneration and Nomination Committee has evaluated In line with the provisions of Taiba Governance Regulations, the Remuneration and Nomination Committee has evaluated the independency of the independent Board members who are as below:

- 1. Mr. Basel Mohammad Bin Jabr.
- 2. Dr. Badr Hamoud Al-Badr.
- 3. Mr. Eid Faleh Al-Shamri.
- 4. Eng. Muhannad Qusai Al-Azzawi.

The Committee found these board members to be independent with no conflicts of interests with Taiba interests.

3.2 Remunerations of Board Members, Senior **Executives and Committees' Members**

The following table shows the remunerations, salaries and expenses paid to Board members and Senior Executives including VP Finance during the year 2021:

I. Remunerations of Board Members:

	Variable Remunerations						
Name	Specific Amount	Board & General Assembly Meetings' Attendance Allowance	Total Board Committee Meetings' Attendance Allowance	Statement of what Board members have received as employees or administrators, and what they have received in lieu pf technical or administrative work or consultations	Grand Total	Expenses Allowance	
I. Independent Members :							
Mr. Basel Mohammad Jabr	300,000	15,000	87,000	0	402,000	2,000	
Dr. Badr Hamoud Al-Badr	300,000	18,000	21,000	0	339,000	0	
Mr. Eid Faleh Al-Shamri Member since May 1, 2021	0	9,000	39,000	0	48,000	2,000	
Eng. Muhannad Qusai Al-Azzawi	300,000	18,000	108,000	0	426,000	2,000	
Mr. Abdul Aziz Abdullah Al-Duailej Membership ended March 13, 2021	300,000	0	3,000	0	303,000	0	
Total for Independent Members	1,200,000	60,000	258,000	0	1,518,000	6,000	
II. Non-Executive Members :							
Dr. Walid Mohammad Alissa	300,000	18,000	36,000	0	354,000	4,000	
Eng. Anas Mohammad Saleh Serafi	300,000	18,000	27,000	0	345,000	6,000	
Mr. Ghassan Yasser Shalabi	300,000	18,000	39,000	0	357,000	2,000	
Mr. Firas Salahuddin Al-Qurashi	300,000 (*)	18,000 (*)	30,000 (*)	0	348,000	0	
Eng. Mohammed Abdul Mohsin Al-Grenees	300,000	18,000	102,000	0	420,000	4,000	
Total for Non-Executive Members	1,500,000	90,000	234,000	0	1,824,000	16,000	
Grand Total	2,700,000	150,000	492,000	0	3,342,000	22,000	

Note: The amounts mentioned in the (Specific amount) column are fixed remunerations for the financial year 2020 and were disbursed during the year 2021. There is no remuneration or allowances paid to the Board members other than what has been mentioned above.

(*) This amount has been disbursed to the Public Investment Fund represented by the abovementioned Board member.

II. Remuneration of Senior Executives:

In compliance with the Article 60 (b) of the Rules on the Offer of Securities and Continuing Obligations, Taiba has declared the renumerations and allowances of the Senior Executives as the below table shows total remunerations paid to top 5 Senior Executives including CEO and VP Finance:

	Fixed remunerations		Variable remunerations	End of service benefits 2021	Grand Total
Salaries	s Allowances Total Periodic remuneration		Life of service benefits 2021	Grand Total	
5,522,622	1,840,065	7,362,687	600,000	408,910	8,371,597

Committee	Name	Fixed remunerations excluding Attendance Allowance (SAR)	Meetings' Attendance Allowance (SAR)	Total (SAR)
	Eng. Mohammed Abdul-Mohsin Al-Grenees	100,000	30,000	130,000
Members of the Audit Committee.	Mr. Eid Faleh Al-Shamri	100,000	30,000	130,000
	Mr. Firas Salahuddin Al-Qurashi	100,000 (*)	30,000 (*)	130,000
	Total	300,000	90,000	390,000
	Mr. Basel Mohammad Bin Jabr	50,000	18,000	68,000
	Mr. Ghassan Yasser Shalabi	-	18,000	18,000
Members of Remuneration	Eng. Muhannad Qusai Al-Azzawi	50,000	18,000	68,000
and Nomination Committee	Dr. Walid Mohammad Alissa	-	18,000	18,000
	Eng. Anas Mohammad Saleh Serafi Membership ended December 31, 2020	50,000	-	50,000
	Dr. Badr Hamoud Al-Badr Membership ended December 31, 2020	50,000	-	50,000
	Total	200,000	72,000	272,000
Members of	Mr. Ghassan Yasser Shalabi	50,000	21,000	71,000
	Dr. Badr Hamoud Al-Badr	-	21,000	21,000
	Eng. Mohammed Abdul-Mohsin Al- Grenees	50,000	21,000	71,000
the Investment Committee	Eng. Muhannad Qusai Al-Azzawi	50,000	21,000	71,000
	Mr. Basel Mohammad Bin Jabr Membership ended December 31, 2020	50,000	-	50,000
	Dr. Walid Mohammad Alissa (**)	-	6,000	6,000
	Total	200,000	90,000	290,000
	Dr. Walid Mohammad Alissa	50,000	12,000	62,000
Members of Social	Eng. Anas Mohammad Saleh Serafi	50,000	12,000	62,000
Responsibility	Mr. Eid Faleh Al-Shamri Member since May 1, 2021	-	9,000	9,000
Committee:	Mr. Abdul Aziz Abdullah Al-Duailej Membership ended March 13, 2021	-	3,000	3,000
	Mr. Firas Salahuddin Al-Qurashi Membership ended December 31, 2020	50,000 (*)	-	50,000
	Total	150,000	36,000	186,000
Members	Eng. Muhannad Qusai Al-Azzawi	-	15,000	15,000
of Projects'	Eng. Anas Mohammad Saleh Serafi	-	15,000	15,000
Committee:	Mr. Basel Mohammad Bin Jabr	-	15,000	15,000
	Total	0	45,000	45,000
Mamk	Eng. Muhannad Qusai Al-Azzawi	-	54,000	54,000
Members of Dur Merger	Mr. Basel Mohammad Bin Jabr	-	54,000	54,000
Committee:	Eng. Mohammed Abdul-Mohsin Al- Grenees	-	51,000	51,000
	Total	0	159,000	159,000
	Grand Total	850,000	492,000	1,342,000

Note: The above fixed remuneration amounts are for the financial year 2020 and were disbursed in the year 2021, with the exception of the Audit Committee that an amount of SAR 100,000 for each member was disbursed for the financial year 2021 by the end of the same year.

3.3 Board Committees

Considering the required expertise and specializations of the Board members, six (6) sub-committees to the Board have been formed as follows:

I. Investment Committee:

Below is a brief description of Investment Committee responsibilities:

- 1- Review and discuss the strategic and business plans for Taiba's capital investment projects and follow up on their implementation.
- 2- Review and evaluate the existing investment projects and potential investment opportunities, and submit recommendations to the Board of Directors.

2021 Investment Committee Meetings and Attendance

Nama	Position		Total						
Name	Position	18 Jan	10 Feb	22 Feb	15 Mrc	21 Jun	03 Oct	18 Oct	Attendance
Mr. Ghassan Yasser Shalabi	Chairman of Committee	✓	✓	✓	✓	✓	✓	✓	7
Mr. Basel Mohammad Bin Jabr	Member	✓	✓	✓	✓	✓	✓	✓	7
Eng. Mohammed Abdul-Mohsin Al-Grenees	Member	✓	✓	✓	✓	✓	✓	✓	7
Eng. Muhannad Qusai Al-Azzawi	Member	✓	✓	✓	✓	✓	✓	✓	7

II. Audit Committee:

Main tasks and responsibilities of Audit Committee :

- 1- Financial Reports: Review the preliminary quarterly and annual financial statements, the financial data of the company and its disclosures related to its financial performance, and ensuring their integrity, fairness and transparency submit their opinion and recommendation. This includes the review and discussion over the applied accounting policies and assessments in the company and any changes thereto and providing their opinion and recommendations regarding the sane.
- 2- Internal Control and Risk Management: Review the company's internal financial and risk control systems and prepare the required reports with the committee's opinion regarding their adequacy.
- 3- Internal Audit: Oversee the internal audit activities and performance, including the review and approval of annual internal audit plan, review of internal audit reports, and follow up for the implementation of corrective actions.
- 4- External Auditor: Recommend to the Board of Directors on the nomination and dismissal of external auditors, determine their fees, evaluate their performance, verify their independency, review their scope of work and the contractual terms, review their reports and findings and express their opinions regarding all the stated above.
- 5- Governance and Compliance: Review the reports issued by the regulatory authorities and ensure the company's compliance to the relevant laws, regulations, policies and instructions, especially the contracts and the proposed business dealings that the company may conclude with related parties, and submit their recommendations thereof to the Board of Directors.

2021 Audit Committee Meetings and Attendance

			•		•••••	,	,		'			
						2021 M	leeting	s				Total
Name	Position	10 Jan	31 Jan	23 Feb	25 Mar	08 Apr	18 May	07 Jun	11 Aug	15 Sep	07 Nov	Attendance
Eng. Mohammed Abdul Mohsin Al-Grenees	Chairman of Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr. Firas Salahuddin Al-Qurashi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Mr. Eid Faleh Al-Shamri	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10

^(*) This amount has been disbursed to the Public Investment Fund, which the said board member represents.

^(**) Dr. Walid Mohammad Alissa is not a member in the Investment Committee but had attended Investment Committee meetings numbered 163 & 164

III. Remunerations and Nomination Committee:

The following is a brief description of the Committee's tasks and responsibilities:

- 1- Prepare a clear policy for the remunerations of Board of Directors, Board committees and senior executives in accordance with the approved policy and their periodic review.
- 2- Recommend policies and criteria for membership in the Board of Directors and senior management in accordance with the approved policies and authority matrix.
- 3- Review the hierarchical structure of the Board of Directors, committees and senior management, and submit recommendations with changes thereof.
- 4- Identify the strengths and weaknesses of the Board of Directors, and propose appropriate solutions to mitigate them.
- 5- Verify on an annual basis the independency of the independent members and the absence of any conflicts of interest if that member is a Board member in another company.
- 6- Review and study and succession plans in the event that the position of a senior executive becomes vacant, and provide recommendations in this regard.

2021 Remuneration and Nominations Committee Meetings and Attendance

Name	Position -		Total					
Name	Position -	10 Feb	21 Mar	11 Apr	17 Jun	11 Aug	23 Nov	Attendance
Mr. Basel Mohammad Bin Jabr	Chairman of Committee	✓	✓	✓	✓	✓	✓	6
Mr. Ghassan Yasser Shalabi	Member	✓	✓	✓	✓	✓	✓	6
Eng. Muhannad Qusai Al-Azzawi	Member	✓	✓	✓	✓	✓	✓	6
Dr. Walid Mohammad Alissa	Member	✓	✓	✓	✓	✓	✓	6

IV. Projects' Committee:

The Projects' Committee was formed on January 1, 2021. Following is a brief description of the committee's tasks:

- 1- Ensure adherence to the budgets approved by Board of Directors for each project along with the approval of detailed budgets for the execution phases ascertaining efficient execution without negatively impacting the financial indicators of the project and its feasibility.
- 2- Review of overall project timelines for project development and execution phases and any changes thereto, along with recommendations for the master program and its revisions that may occur during the project implementation phase.
- 3- Approve lists of contractors and consultant offices who are invited for design and execution works for the approved projects. Also, approve the mechanism and processes for financial and technical analysis and their results in the selection of proposals received from the contracting firms and consultant offices.
- 4- Review and approve variation orders submitted by the consultant or contracting firms.

2021 Projects' Committee Meetings and Attendance

Name	Position –		2021 Meetings								
Tuille	1 03111011	18 Jan	09 Feb	07 Apr	23 Jun	21 Oct	Attendance				
Eng. Muhannad Qusai Al-Azzawi	Chairman of Committee	✓	✓	✓	✓	✓	5				
Eng. Anas Mohammad Saleh Serafi	Member	✓	✓	✓	✓	✓	5				
Mr. Basel Mohammad Bin Jabr	Member	✓	✓	✓	✓	✓	5				

V. Dur Merger Committee:

The Dur Hospitality Company "Dur" Merger Committee was formed on June 13, 2021. The following is a brief description of the committee's tasks:

- 1- Correspond, discuss and negotiate with Dur Hospitality Company in the merger study and recommend the outcome to the Board for the required approvals.
- 2- Sign Non-Disclosure Agreement and minutes of meetings with Dur.
- 3- Appoint project management consultant firm to support the committee and Taiba executive management in this regard.
- 4- Prepare the budget, execution plan, and timeline for the merger project and its detailed processes, and acquire their approvals from the Board of Directors.
- 5- Appoint consultants for the merger process, review the outcomes of their works and recommend them to the Board of Directors.
- 6- Prepare letter of intent, memoranda of understanding, merger and other agreements with Dur Hospitality Company and recommend them to the Board of Directors.
- 7- Follow up on the Dur merger process and its executive procedures approved by the Board of Directors, ensure the adaptation to any upcoming changes and approve them, ensure compliance to the relevant laws, regulations and instructions, and provide recommendations to the Board of Directors as required.

2021 Dur Merger Committee Meetings and Attendance

									20	21 M	eetir	ngs								
Name	Position	17 Jun	23 Jun	24 Jun	lut 80	12 Jul	14 Jul	29 Jul	08 Aug	14 Aug	26 Aug	09 Sep	27 Sep	07 Oct	21 Oct	04 Nov	18 Nov	02 Dec	16 Dec	Total Attendance
Eng. Muhannad Qusai Al-Azzawi	Chairman of Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	18
Mr. Basel Mohammad Bin Jabr	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	18
Eng. Mohammed Abdul Mohsin Al-Grenees	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	х	17

VI. Social Responsibility Committee:

The following is a brief description of the Committee's tasks:

- 1- Prepare guidelines for Taiba corporate social responsibility activities and implement policies, programs and initiatives for social work that serves its shareholders and interest holders and guarantees a balance between Taiba goals and the community goals.
- 2- Prepare an annual budget and implementation plan for social responsibility programs and initiatives, and acquire Board of Directors' approval for their implementation.

2021 Social Responsibility Committee Meetings and Attendance

Name	Position		2021 M	eetings		Total
Name		16 Feb	02 Jun	28 Sep	23 Nov	- Attendance
Dr. Walid Mohammad Alissa	Chairman of Committee	✓	✓	✓	✓	4
Eng. Anas Mohammad Saleh Serafi	Member	✓	✓	✓	✓	4
Mr. Eid Faleh Al-Shamri	Member	✓	✓	✓	✓	4

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3.4 Corporate Governance

Disclosure of provisions for the Corporate Governance Regulations applied and not applied with the reasons thereof:

Taiba applies the provisions of the Corporate Governance Regulations issued by the Capital Market Authority which are in accordance with Taiba Company Bylaws, Taiba Governance Regulations and the regulations issued by the relevant authorities. The following table shows Taiba's position for not applying some provisions of the Corporate Governance Regulations:

Corporate Governance Regulations Article No.	Article Requirements	Reasons for Non-Application
70 - 71 - 72	Formation of a Risk Committee defining scope and responsibilities	It has not been applied as it is an advisory article, and currently the Board does not see the necessity of forming this committee.
95	Formation of a Corporate Governance Committee	It has not been applied as it is an advisory article, and the concerned department for governance performs the responsibilities of this committee and periodically reports to the Board on governance and its activities.
54 B	Chairman of Audit Committee shall be an Independent Member	As the membership status of the current Chairman of Audit Committee in the Board has changed to Non-Executive, the Board of Directors does not see the need for any change at present, especially as it is an advisory clause.

Rights of shareholders and interest groups

- Taiba Investments Company gives particular importance to the interests of the shareholders and the interest-holders by including these interests and rights in the Company Bylaws and Taiba Governance Regulations. Taiba also provides investors with the required information through the Taiba Investments website (www.taiba.com.sa) and Tadawul website.
- Taiba has launched an exclusive mobile App for both Android and Apple operating systems to ensure regular contact is maintained with the shareholders.
- •In the interest of its esteemed shareholders, Taiba Investments Company periodically publishes announcements on Tadawul website to remind the shareholders who had not received their due dividends previously as a result of incorrect address or their failure to visit on time the banks dispensing those dividends. Such announcements notify them to review the name lists of shareholders which are published on the abovementioned Taiba website for the shareholders who are entitled to receive dividends but have not yet received them.



Shareholders' General Assembly meetings held in the financial year 2021

In the financial year 2021, one shareholders' General Assembly meeting was held. Following are details of the meeting held with the date and names of the Board members who attended this meeting:

General Assembly Title	Date Convened	Attendees from the Board Members
		Dr. Walid Mohammad Alissa
		2. Eng. Anas Mohammad Saleh Serafi
		3. Mr. Basel Mohammad Bin Jabr
39 th Ordinary General	20/07/2021	4. Dr. Badr Hamoud Al-Badr
Assembly	29/03/2021	5. Mr. Ghassan Yasser Shalabi
		6. Mr. Firas Salahuddin Al-Qurashi
		7. Eng. Mohammed Abdul-Mohsin Al-Grenees
		8. Eng. Muhannad Qusai Al-Azzawi

Number of company requests for Shareholders' Register, dates and grounds for those requests

There were 7 requests for the Shareholders' Register in the year 2021 as follows:

Date of Register Request	Reason for the Request
03/01/2021	Company procedures.
29/03/2021	The 39 th Ordinary General Assembly
01/04/2021	Dividend distribution for Second Half 2020
08/08/2021	Commonwed and a second a second and a second a second and
26/10/2021	Company procedures.
21/11/2021	Dividend distribution for 3rd Quarter 2021
31/12/2021	To match the balances of the shares owned by Board members and Senior Executives at year end 2021

3.5 Interests in Taiba activities and dealings with related parties

1. Net Transactions and balances with related companies

A. The net transactions with related parties mainly consist of purchases, sales of services and other transactions under agreed terms.

Company Name		nce at 1/2021	Movement	during the year		nce at /2021
Owners' Association of Taiba Residential Center	-	2,663,678	-	4,300,194	-	6,963,872
Madinah Airport Hotel Company	22,512,080	-	-	3,274,849	19,237,231	-

B. Recommended to the Board of Directors to approve the business and contracts that will be concluded between Taiba and AlfaPeople - Strata International Information Technology, where Taiba board member Mr. Ghassan Yasser Shalabi has an interest, represented in an agreement for developing, updating and upgrading the Microsoft Dynamics cloud environment system at an amount of SAR 1,209,188 as a fee for professional services not including the license fees (for Microsoft Corporation) and not including the value-added tax. This is in addition to the amount of SAR 111,500 for the annual maintenance. The contract is effective from 10/10/2019 and since then the contractual obligations are in effect. The professional fees for the mentioned contract was not paid in the financial year 2021. Apart from the contractual fees, the license fees for an amount of SAR 482,880 was paid to Microsoft through Strata International in the year 2021. No preferential conditions exist.

C. In the financial year ended 31/12/2021, neither there were any interests in voting preference bearing shares, nor any option rights or subscription rights in the shares of the company for any Board member, senior executives or their family members. There were some interests belonging to some Board members and senior executives in the company's shares. The following data shows the shares belonging to Board members, senior executives, their families, and the main owners of Taiba Investments:

2. List of Main Owners:

Statement of names, number of shares and ownership percentages of shareholders who own 5% or more and the change thereof during the financial year 2021:

Mana	Beginning (of the Year	End of t	he Year		0/ -5
Name (All are Saudis)	Number of Shares	Debt instruments	Number of Shares	Debt instruments	Net Change	% of Change
Assila Investments Company.	26,845,269	-	26,845,269	-	-	-
Sheikh Mohammed Salih Hamzah Serafi	23,337,271	-	12,837,271	-	(10,500,000)	(6.54%)
Sheikh Mohammed Ibrahim Mohammed Al-Issa	11,897,114	-	11,897,114	-	-	-
Al-Salihat Trading and Contracting Holding Company	-	-	10,500,000	-	10,500,000	6.54%

- The number of Taiba Investments shareholders on 31/12/2021 was 35,071 shareholders, 35,060 (99.96%) shareholders Saudis and 11 shareholders (0.031%) non-Saudis.
- Taiba Investments did not receive any notifications from its shareholders regarding any change in their ownership percentages during the financial year 2021, with the exception of notifications from Board members and the senior executives as illustrated below:

Statement of the number of shares owned by Board members and their family members and the changes thereof during the financial year 2021

Name	Beginning	of the Year	End of	the Year	Nich	0/ - f
(All are Saudis)	Number of Shares	Debt instruments	Number of Shares	Debt instruments	Net Change	% of Change
Dr. Walid Mohammad Alissa (Chairman)	2,480	-	2,480	-	-	-
Eng. Anas Mohammad Saleh Serafi (Deputy Chairman)	1,000	-	1,000	-	-	-
Mr. Basel Mohammad Bin Jabr	100	-	100	-	-	-
Dr. Badr Hamoud Al-Badr	100	-	100	-	-	-
Mr. Eid Faleh Al-Shamri (*)	-	-	-	-	-	-
Mr. Ghassan Yasser Shalabi	42,818	-	42,818	-	-	-
Mr. Firas Salahuddin Al-Qurashi Representative of the Public Investment Fund (The shares shown are only the shares of the entity he represents)	5,484,374	-	5,484,374	-	-	-
Eng. Mohammed Abdul-Mohsin Al-Grenees(**) Representative of the GOSI (The shares shown are only the shares of the entity he represents)	6,185,602	-	6,612,792	-	427,190	0.27 %
Eng. Muhannad Qusai Al-Azzawi	1,000	-	1,000	-	-	-
Mr. Abdul Aziz Abdullah Al-Duai'lej(***)	1,000	-	-	-	-	-

^(*) From the start date of his Board membership on 01/05/2021

4. Senior executives owning shares in Taiba:

Name (All are Saudis)	Beginning	g of the Year End of		the Year		% of
	Number of Shares	Debt instruments	Number of Shares	Debt instruments	Net Change	Change
Mr. Sohail Mohammed Al-Ali	2,602	-	2,625	-	23	0.00001

Note: Senior (Saudi) executives whose names are not mentioned in the above statement do not have a contribution to Taiba.

5. Taiba Board of Directors' ownership of shares in Subsidiaries:

Taiba's directors do not own any shares in the subsidiaries.

6. Senior executives' ownership of shares in subsidiaries:

Taiba's senior executives do not own any shares in the subsidiaries.

7.

^(**)Pursuant to Cabinet of Ministers' Resolution No. 657 dated 05/11/1442H corresponding to 06/15/2021 to merge the Public Pension Agency (PPA) with the General Organization for Social Insurance (GOSI) and to replace PPA with GOSI in all its responsibilities, powers, rights and obligations as of 01/08/2021.

^(***) Till the date of his resignation from the Board on 13/03/2021.



Declarations in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority

The Board of Directors declares that:

- 1- The account registers were properly prepared at Taiba and its subsidiaries.
- 2- The internal control system was prepared on sound basis and was effectively implemented by Taiba and its subsidiaries.
- 3- There is no doubt in the ability of Taiba to continue its business activities.

Annual evaluation of the Board of Directors

In light of the mechanism for evaluating the effectiveness of Taiba's Board of Directors and its approved committees via a questionnaire assigned for that purpose and which entails the elements related to the duties and responsibilities of the Board and its committees, accordingly the evaluation was conducted and the results were presented to the Board of Directors which showed that the Board is working with appropriate efficiency.

Results of the annual review for the effectiveness of the company's internal control procedures:

The Board of Directors of Taiba Investments Company is continuously striving at different levels to set the necessary policies, mechanisms, controls and systems, and to monitor their effectiveness, good implementation and improvement in order to ensure the integrity, transparency and accuracy of reporting systems, financial control, risk management, and the efficiency and effectiveness of internal, operational and administrative control in a way that protects its assets, limits the risk impact on its business, and achieves the company's strategic goals. Among the most prominent examples are the organizational structure, the authority matrix, the approved policies and procedures, and automated systems for managing resources, accounting and reporting.

In light of the foregoing, Taiba Investments Company has put in place the appropriate organizational structure across different levels to ensure the effectiveness and adequacy of internal control and risk monitoring systems through:

- Formation of the Audit Committee with its approval by the General Assembly.
- · Audit Committee Charter which entails tasks and appropriate powers and is approved by General Assembly.
- Supervision of the company's internal audit activities by the Audit Committee.
- Periodic internal audits conducted by internal audit department to assess the adequacy and effectiveness of the internal controls system and report the audit findings to the senior management and the Audit Committee, and follow-up for implementation of corrective and preventive measures.
- •Appointment of a competent and independent external auditor and review of his work.
- Monitoring of risk management procedures.
- Opening of confidential communication channels for company employees or related persons to provide their comments

Through the different abovementioned levels of assurance and based on the continuous work and efforts of the Audit Committee to carry out its tasks along with the reports it receives, and as no material observations or deficiencies in the internal, financial and risk control systems were found where no corrective or preventive measures have been taken, the Audit Committee has ascertained the adequacy and effectiveness of the Company's internal, financial and risk control systems for the financial year 2021 and does not consider thereof any significant deficiency that requires disclosure.

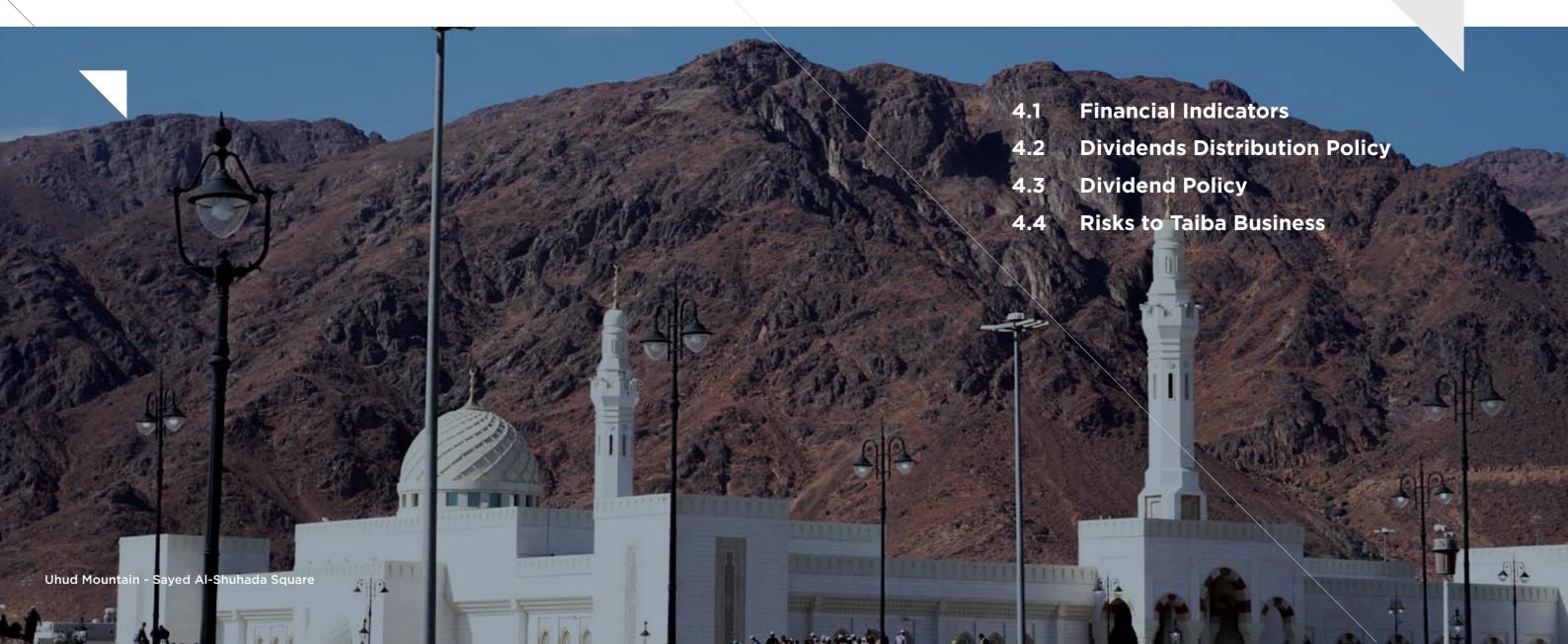
Application of international accounting standards:

The consolidated financial statements of Taiba and its subsidiaries for the year 2021 and their comparative figures for the year 2020 were prepared and published in accordance with international accounting standards that were applied since 01/01/2017.



4 Financial Review & Business Results



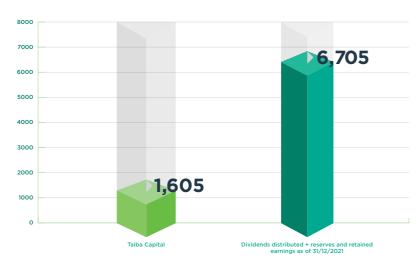


4.1 Financial Indicators

32 successive years of achievements during which Taiba has accomplished the following:

Distributed Dividends+ Reserves

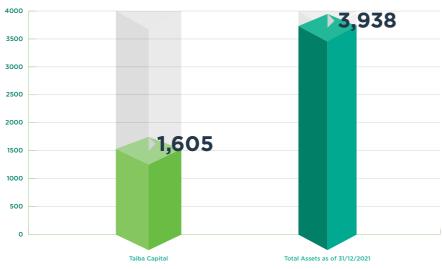
Dividends distributed plus reserves, comprehensive income and retained earnings since Taiba incorporation till 31/12/2021 reached SAR 6,705 million, which is 418% of Taiba capital.



Amounts in millions of riyals

2 Total Assets

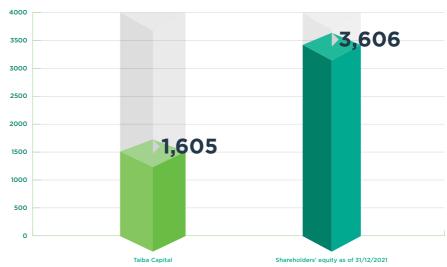
Total assets reached SAR 3,938 million as of 31/12/2021, which is 245% of Taiba capital.



Amounts in millions of riyals

3 Shareholders' Equity

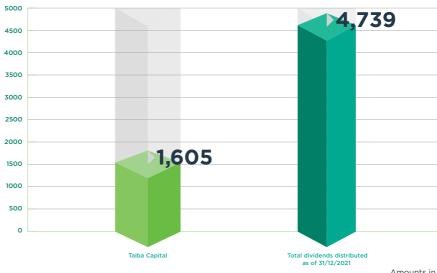
Shareholders' Equity as of 31/12/2021 reached SAR 3,606 million, which is 225% of Taiba capital.



Amounts in millions of riyals

4 Distributed Dividends

Total Dividends Distributed till 31/12/2021 reached (SAR 4,739 million), which is 295% of Taiba capital.



Amounts in millions of riyals

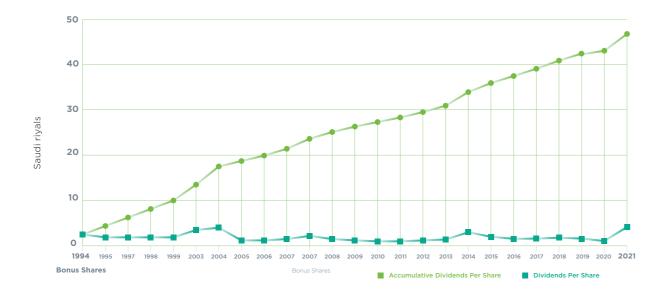
5 Dividends Distributed for Last 5 Years

Total amount of dividends distributed for the last 5 years reached SAR 1,601 million, which is 99.75% of Taiba capital



6 Dividends Per Share

Yearly dividends per share vs the total accumulative dividends distributed per share since Taiba inception till 31/12/2021, which reached SAR 47.64



7 Statutory Reserve

Statutory reserve balance as of 31/12/2021 reached SAR 1,000 million, which is 62% of Taiba capital



Amounts in millions of riyals



9 Capital Increase

Increase in Taiba capital since Inception till 31/12/2021



Amounts in millions of riyals

1 Net Profit

Net profits since Taiba inception till 31/12/2021 reached SAR 4,887 million, which is 304% of Taiba's current capital



Amounts in millions of riyals

4.2 Dividends Distribution Policy

Based on the Article (44) of Taiba's current Company Bylaws and based on the decision of the Ordinary General Assembly to distribute dividends to the shareholders, the annual net profits of Taiba shall be distributed after deducting all general expenses and other costs including the Zakat imposed by Shariah, as follows:

- 10% of the net profits shall be set aside to form the Statutory Reserve, The Ordinary General Assembly may decide to discontinue setting aside such percentage when the said reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly may, based on the recommendation of the Board of Directors, set aside a certain percentage of the net profits to form a provisional reserve allocated for one or several purposes.
- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interests of the company or ensures the distribution of fixed profits as far as possible to shareholders. The said General Assembly may also deduct amounts from the net profits to establish social associations for the company employees or to assist any existing associations.
- From the remainder, a first payment will be distributed to the shareholders equivalent to 5% of the company's paid-up capital.
- Subject to the provisions stipulated in Article 21 of Taiba Company Bylaws, the Article 76 of the Companies Law and the controls set by the competent authority in this regard, after the above, 10% of the remainder of the profits will be allocated as a renumeration to Board members.
- The General Assembly may decide, based on the recommendation of the Board of Directors, to distribute a portion of the remainder thereafter to shareholders as an additional dividend.
- Taiba may distribute its interim dividends in light of the financial results on an annual, semi-annual or quarterly basis after fulfilling the regulatory requirements issued by the Capital Market Authority.

Applied Resolutions for 2021 Dividends Distribution

Percentage of profits dist	Total			
Dividends period	21/11/2021	-		
Dividends % / Capital	40%	-	40%	
Dividends amount (SAR)	641,829,932	-	641,829,932	



Business Results, Assets and Liabilities in the last 5 years

Profit & Loss Statement

(SAR '000)

Description	2021	2020	2019	2018	2017
Revenues	130,935	220,953	387,528	406,279	457,056
Cost of revenues	(90,709)	(95,717)	(145,679)	(148,893)	(185,001)
Gross profit	40,226	123,236	241,849	257,386	272,054
Administrative and marketing expenses	(60,142)	(45,776)	(63,581)	(54,519)	(57,577)
Other revenues (expenses) - net	(83,667)	12,492	13,444	(94,716)	(31,002)
Gains / (losses) of discontinued operations (*)	-	7,728	264	(3,061)	
Zakat	(20,265)	(2,226)	(20,680)	(29,123)	(18,077)
Net (loss) income	(123,848)	95,454	171,296	75,967	165,398

(*) As indicated in note (1), paragraph (b) of the notes attached to the financial statements, on March 12, 2020 an agreement was signed for the complete sale of Taiba Contracting and Maintenance Company Ltd, «Tacoma» (94% owned by Al-Aqeeq Real Estate Development Company and 6% by Arab Resort Areas Company, (ARAC) for a total amount of SAR 20 million. The agreement also involved the transfer of the land owned by Tacoma including the building on site, as well as Tacoma's 10% stake in TAWD to Al-Aqeeq Company, rendering TAWD Company owned 100% by Al Aqeeq Real Estate Development Company. A net profit of 7.7 million Saudi riyals was achieved from this transaction. In addition, 3.4 million Saudi riyals were transferred to the retained earnings derived from Taiba share in the other comprehensive income previously achieved from this investment.

Balance Sheet (SAR '000)

Description	2021	2020	2019	2018	2017
Current assets	859,814	399,774	736,600	988,474	612,710
Current liabilities	283,744	213,154	349,065	316,056	365,513
Working Capital	576,070	186,620	387,535	672,418	247,197
Other assets	691,941	1,559,325	1,519,792	1,419,918	1,822,158
Property, machinery, and equipment	2,386,710	1,967,616	1,827,706	1,764,433	1,813,843
Net assets	3,654,721	3,713,561	3,735,033	3,856,769	3,883,198
Other liabilities	48,885	57,791	57,642	278,440	288,451
Shareholders' equity	3,605,836	3,655,771	3,677,391	3,578,329	3,594,746
Net liabilities and equity	3,654,721	3,713,561	3,735,033	3,856,769	3,883,198
Paid-up capital	1,604,575	1,604,575	1,604,575	1,500,000	1,500,000
Statutory reserve and other	1,208,791	1,208,791	1,210,317	1,106,468	1,106,468

Summary of Major Variances in Operating Results with Prior Year

(SAR '000)

Description	2021	2020	Variance + or (-)	Change %	Reason for Variance
Revenues	130,935	220,953	(90,018)	(40.74%)	Decrease in revenues generated by hotels and commercial centers in the current year 2021 due to the continued effects of the Covid-19 pandemic on the main activity of Taiba.
Cost of revenues	(90,709)	(97,717)	(7,008)	(7.17%)	Decrease in the costs of operations as a result of the decrease in revenues.
Gross profit	40,226	123,236	(83,010)	(67.36%)	Decrease in revenues as explained above.
Administrative and General and Selling and Marketing Expenses	(60,142)	(45,776)	14,366	31.38%	Increase in consultancy expenses.
Impairment Losses on Trade Receivables	(61,277)	(65,704)	(4,427)	(6.74%)	Settlement of some customer accounts.
Other operating expenses	(25,375)	(4,866)	20,509	421.48%	Other operating expenses increased due to the cost of termination for some lease contracts, Also, a provision is formed to meet compensation issues related to the tenants and customers affected by the Covid-19 pandemic.
Gross Operating Profit (Loss)	(106,568)	6,890	(113,458)	(1646.71%)	Decrease in revenues and increase in admin and other operating expenses as explained above.
Dividends from financial assets at fair value through other comprehensive income	17,468	9,724	7,744	79.64%	The main reason is the increase in the dividends received as a result of the dividends distributed by Sabic Agri-Nutrients in the year 2021.
Taiba's share from results of sister/ associate companies	(3,078)	(8,508)	(5,430)	(63.82%)	Due to decrease in the losses of some investee companies in the year 2021.
Other Income (Expenses) - Net	(11,405)	81,846	(93,251)	(113.93%)	In the prior year, achieved 10.7 million profit from selling the investment in Fiber Glass Oasis Company (FGOC) & the reversal of 68 million provision booked in 2018 in relation to the financial guarantee provided to SIDF to secure the loan facility to the sold FGOC, In the current year 2021, an assets impairment provision is booked for an amount of SR 6.7 million.
Zakat	(20,265)	(2,226)	18,039	810.38%	Increase in Zakat expenses as a result of the increase in the Zakat Base due to the sale of some investments in equity instruments.
Gains / (losses) of discontinued operations	-	7,728	(7,728)	(100%)	2020 amount represents gains recognized from selling the full share in Tacoma company.
Net profit (loss)	(123,848)	95,454	(219,302)	(229.75%)	Decrease in revenues and increase in admin expenses, other operating expenses and Zakat expenses as explained above.
Working Capital	576,070	186,620	389,450	208.69%	Increase in cash and current assets due to the sale of some investments.
Shareholders' equity	3,605,836	3,655,771	(49,935)	(1.37%)	Represents the net movement in shareholders' equity as a loss in the current year 2021, shares' revaluation gains at a fair value and dividends distributed during the year.

Q.

4.3 Statutory Payments

Zakat Assessment for Taiba and its Subsidiaries:

Taiba Investments Company and Al Ageeg Real Estate Development Company

A consolidated Zakat declaration was submitted for both to Taiba Investments Company and Al Aqueq Real Estate Development Company for the year ended 31/12/2020 and the Company received a Zakat certificate valid until 30/04/2022.

During 2015 Taiba Investments Company received assessment issued by Zakat, Tax & Custom Authority (ZATCA) for the year 2013, according to which the ZATCA required additional zakat charge of SR 3.9 million, and the Company has objected to this assessment. However, the second primary tax objection committee in Riyadh supported Taiba Company in terms of form, and the ZATCA in terms of content. Accordingly, the Company appealed against the committee's decision on 10/06/2016 after it submitted a bank guarantee of the amount of the assessment. The appeals committee's decision was issued partially in favour of the Company, where the assessment amount was amended to SR 1.5 million and was repaid in January 2021. The letter of guarantee was cancelled in March 2021. An amended assessment was received from ZATCA during 2020 for the year 2014, claiming differences of SR 44,000 and was paid by the Company. During 2020 the Company received assessments of ZATCA for the years from 2015 to 2018 claiming a total difference of SR 8.1 million and the assessment was studied by the Company and its Zakat advisor, as well as submitting an objection to ZATCA during the legal period. ZATCA issued the amended assessments for the above years at an amount of SR 7.9 million, and an objection was submitted before Tax Committees for Resolution of Tax Violations and Disputes within the legal period. A discussion session was determined in which the decision was pronounced by ending the dispute in two items and the rejecting on the other items, which will reduce the zakat obligation for these years to SR 4.9 million.

During 2020, Al-Theraa Almakeen Industrial Company (Branch of Taiba Investments Company) received the estimated zakat assessment from the ZATCA for the years 2017 and 2018 which showed an additional Zakat of SR 40 million for the year 2017 and SR 40 million for the year 2018, and the Company submitted an objection before Tax Committees for Resolution of Tax Violations and Disputes. The Company's management does not believe it needs an additional provision as Al-Theraa Almakeen Industrial Company was transferred as a branch of Taiba Investments Company on 2014 and recorded under Zakat declaration for Taiba Investments Company.

ZATCA issued two assessments for the years 2014 and 2015 to Al-Aqeeq and claimed Zakat differences of SR 7.6 million and SR 1 million, respectively. The Company has made a provision with the total of these differences during 2018 and an objection was submitted to ZATCA against the mentioned assessments, then it was escalated to the Committee of Zakat and Tax Objection. The decision of the preliminary committee was issued, followed by the company's appeal to the decision of the preliminary committee with a financial guarantee in the total amount. During 2020, the appeal was registered at the Appeals Committee for Tax Violations and Disputes, which issued its decision on 18/10/2020, under which the Company was supported in most of the disputed items, accordingly the amount of SR 7.9 million of Zakat provision that was previously formed for this purpose was reversed. The guarantee letter to ZATCA was canceled in April 2021.

Arab Resort Areas Company (ARAC)

ARAC submitted and paid the zakat return and obtained a Zakat certificate for the year ended 31/12/2020, valid till 30/04/2022

ARAC also paid zakat differences for the final assessment for the year 2013 amounting to SR 2.5 million during 2014 and filed an objection to the ZATCA on this assessment. The objection was raised to the assessment for the year 2013 to the First Primary Tax Objection Committee in Jeddah, and the Committee issued its decision on the objection submitted

by ARAC. The Company appealed against the decision of Primary Committee and appeal was registered with the General Secretariat of The Tax Committees for Resolution of Tax Violations and Disputes, which issued its decision in the favor of the Company during 2020 and the amount was settled with ZATCA.

During 2020, ARAC settled and paid Zakat assessments for the years 2016, 2017 and 2018 under the disclosure initiative from ZATCA by paying SR 246,000 for all the years to be settled.

Taiba Agricultural Development Company - TADEC

Taiba Agricultural Development Company (TADEC) submitted and paid the Zakat returns for the year ended 31/12/2020, and obtained Zakat certificate valid until 30/04/2022. ZATCA has issued the final assessments for the company until 2018.

Tawd Real Estate Management and Marketing Company (Tawd)

ZATCA issued the final assessments for Tawd until 2017. Tawd paid Zakat returns for the years 2018 and 2019, and paid zakat return for the year ending 31/12/2020 and obtained zakat certificate valid till 30/04/2022.

Apart from the below table, Taiba has no significant material amounts or fees that would have an impact and which are payable to any regulatory or supervisory authority. The table shows these amounts in riyals with prior year as below:

Description	2021	2020
Zakat provision for Taiba and its Subsidiaries (appealed against part of it)	29,468,704	18,914,325
Dues to General Organization for Social Insurance (GOSI)	196,676	179,491
Other dues	8,971,979	1,507,912

Provisions made during the financial year 2021 for the benefit of Taiba employees

(SAR '000)

Item	Balance as at 01/01/2021	During the year 2021	Balance as at 31/12/2021
End of Service Benefits	14,782	(1,268)	13,514
Employees Loans	1,528	(859)	669
Total	16,310	(2,127)	14,183



4.4 Risks to Taiba Business

A- Impact of Covid-19:

The spread of the COVID-19 was confirmed across many geographical areas in early 2020, causing fundamental uncertainty about macroeconomics, disrupting business and economic activities. During March 2020, the Government of Saudi Arabia took several initiatives until beyond March 2020 to contain the spread of the virus, which included restrictions on travel, gatherings and curfews.

The extent of COVID-19 pandemic affects the group's business, operations and financial results is confirmed, but without knowing to what extent, which depends on many future factors and developments that the Group may not be able to reliably estimate during the current period. These factors include the rate of virus transmission, the duration of its outbreak and precautionary measures that government may take to reduce the spread of the epidemic, and the impact of these measures on the economic activity, as well as the group's customers business and other factors.

Although it is now difficult to predict the overall impact and to how extent on business and economy, the Group's management has made an assessment to the level of this impact on the group's overall operations, and estimated assessing liquidity requirements and business, including travel restrictions and demand on the group's properties, etc, The Group cannot confirm that its used assumptions above in estimates will be correct due to these uncertain situations. In addition, the size, duration and speed of the global epidemic are uncertain, and therefore the management has taken several steps to mitigate the effects of the epidemic, including cost-cutting measures. The Group's management has recalculated the expected credit losses by introducing macroeconomic factors. Accordingly, the provision of credit losses as at 31/12/2021 amounted to SR 138 million, as well as a provision of SR 9 million to meet compensation issues related to the tenants affected by the pandemic. Also rental revenues was derecognized which was expected not to continue or to collect their revenues. It also assessed the status of cash flows including banking facilities, the continuity of existing leases and the readiness of operational procedures when the situation improves.

In the light of the current uncertainty, any future changes in assumptions and estimates could lead to results that may require substantial adjustments to the book values listed for assets or liabilities affected by these results in future periods. Group management will continue to assess the impact based on foreseen developments, and will keep shareholders updated as more information becomes available. Based on financial position and assessing potential scenarios, management does not believe that there are any significant risks related to the going concern basis.

B- Other risks:

- 1- As a result of the price changes for the traded shares on the Saudi Stock Exchange (Tadawul), Taiba Investments Company faces the risk of market value decrease in some of its corporate investments in equity instruments in publicly listed companies on Tadawul. These are short-term and long-term investments and are evaluated and accounted for according to the applied accounting standards.
- 2- Religious tourism in the Kingdom increases dramatically in some seasons such as Ramadan and the Hajj season, and these are considered important seasons for Taiba activities. Religious tourism in these seasons may be negatively impacted by several factors, mainly the economic conditions that may affect the purchasing power of Hajj and Umrah pilgrims and other visitors. This may have a direct and negative impact on the business results of Taiba Investments Company and its subsidiaries.
- 3- Taiba and its subsidiaries face the risk of increased costs for the financing required for Taiba's future projects as a result of the increase in SIBOR rates.
- 4- The rental income of commercial centers may be affected by the economic conditions in general. Any decline or slowdown in the growth of tenants' businesses in the various retail areas will affect their performance and ability to continue renting the retail stores that are rented to them. As a result, Taiba's income and financial results may be affected due to tenants' non-ability to fulfill their rental obligations to Taiba.

Taiba reviews the impact of these risks on the businesses and activities of Taiba and its subsidiaries, and considering the nature of those risks develops strategies and procedures to avoid the risks or mitigate their potential negative effects.

Consolidated Financial Statements

The consolidated financial statements and its annexed notes for the financial year ended on 31/12/2021 show the following:

- 1- After deducting depreciation and amortization, the total non-current assets reached SAR 3,078,651,174 on the abovementioned date.
- 2- The consolidated statement of income shows a net loss of SAR (117,294,908) in the year 2021 attributable to the shareholders of the company.

The following illustrates the movement in the retained earnings during the year:

Description	(SAR)
Balance of retained earnings on 01/01/2021	1,041,606,914
The distributed final installment of 2020 dividends	(80,228,742)
Net loss in the financial year 2021	(117,294,908)
The disposal value of investment in equity instruments measured at FVOCI	355,547,583
Distribution of Q3 dividends to shareholders reaching 40% of the capital	(641,829,932)
Balance of retained earnings on 31/12/2021	557,800,915







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