



**Annual Report for the year 2022**

**Anaam International Holding  
Group Company**

## **Board of Directors Message**

**Respected shareholders of Anaam International Holding Group Company**

**Peace, mercy and blessings of God be upon you.**

The Board of Directors are pleased to submit to you at the forty-third meeting of the Ordinary General Assembly its annual report (the thirty-ninth) including the consolidated financial statements and the auditor's report for the fiscal year ended 31/12/2022. The Board confirms that its report and the accompanying financial statements comply with the governance regulations issued by the Authority and with the requirements of the regulations issued by the competent authorities, and the company is always working to develop, update and keep pace with these regulations.

The report shows a net loss of 31,465,495 for the current year (2022) compared to a net loss of SAR 18,181,266 for the previous year (2021).

The Board also confirms that despite the challenges and difficulties faced by the Company, represented in the losses in the market value of Company's trading stock portfolio due to poor stock market conditions and the decline in the value of goodwill of the subsidiaries, has reflected on the results of the Company, which led to the failure to achieve the desired and planned results, the Board and the Executive Management always strive with their efforts to develop performance and update strategic plans based on reality to avoid any stumbling blocks in the company's progress. The company obtained the support of shareholders with the increase of share capital in year 2023 and the acquisitions shall be carried out by the company, which will help in the implementation of some of its plans that would keep pace with developments and increase productivity in the competencies available to the company and the optimal use of cadres and human resources development so that the company can take its leading role in development programs and support the economy of our Beloved Country, under the leadership of the Custodian of the Two Holy Mosques, his faithful Crown Prince and the wise government, we ask God Almighty to help us to achieve the renaissance of the company and meet the aspirations of its shareholders and investors.

We hope that you will see the details of the report, and the Board looks forward to your contributions and will respond to your inquiries and opinions on what was stated in the report and your participation in the renaissance and progress of your company.

**God bless ,,,,,**

### **General Activity:**

The company practices through its subsidiaries' many licensed commercial activities that achieve its purposes, namely wholesale and retail trade in foodstuffs, carrying out import and export work, marketing to others, fodder trade, agricultural crops, types of vegetables, fruits and canned goods, wholesale and retail trade in building materials and health materials, buying land for the establishment and investment of buildings, establishing, managing and maintaining centers and facilities, shipping and storage services, and the activity also includes the establishment, management and operation of commercial centers, establishment, management and operation Industrial projects, investing its funds in stocks and other securities, owning real estate and movables necessary to carry out its activity, and providing loans, guarantees and financing to subsidiaries. Due to the developments in recent years as per the above, the company has activated its entity as a holding company and focused on investing in promising sectors such as industry, income-generating real estate, medical services, entertainment sector, logistics and financial sector. The company also aims to convert all the companies it has invests into closed joint stock companies in preparation for listing on the Saudi stock market.

### **Competitive advantages of the company:**

- \* has great experience and presence in the main regions of the Kingdom.
- \* has prepared cold stores in a healthy environment.
- \* has specialized cadres with great experience in the field of work and has the ability to attract qualified cadres.
- \* owns plots of land close to the Islamic port of Jeddah that can be exploited to serve the interests of the company.

### **Vision and Mission of the Company:**

- \* To become the best and most successful joint stock company characterized by its investment expertise, executive capabilities, and capabilities to develop and maximize its value.
- \* Its mission is to invest in sectors where there are significant growth opportunities and rewarding returns through effective management focused on creating value for shareholders, partners, employees, and society.

### **Company Strategy:**

The company has defined its general strategic objectives for the next five years, which are to activate its entity as a holding company and focus on investing in the industrial, logistical, medical, real estate income-generating sector, entertainment, and property management activity, in addition to financial investments with rewarding returns in order to achieve profitable financial stability. The financial objectives are focused on achieving sustainable growth in revenues and income, improving liquidity, and thus distributing annual dividends to shareholders. The company also aims to increase its market value through successful investments, good profits, offering and listing investee companies in the Saudi stock market.

### **Company Objectives:**

- Building a successful and positively influential economic entity in the sectors in which it works and deals.
- Achieving an appropriate level of growth in the return on investment for its shareholders coupled with a balanced growth in equity.
- Improving and developing the business model to suit the external variables and internal capabilities of the company.
- Enhancing expertise and employing it in achieving positive growth in the livestock investment sector locally and regionally.
- Concluding internal and external alliances at the level of the sectors in which it operates with successful facilities locally, regionally, and internationally to transfer experience and exchange experiences.
- Introducing technology in all fields.
- Integration with the Kingdom's Vision 2030 and its realization programs, mainly with regard to the development of various resource investments, food security and improving the quality of life.

**Activities Details:**

The net loss for the year 2022 amounted to SAR 31,465,495 compared to a net loss of SAR 18,181,266 for the previous year 2021 due to the following factors:

**1- Head Office Activity:**

The financial statements for the year 2022 indicate a loss in the general administration in the amount of SAR 31,465,495 compared to SAR 18,181,266 loss for the previous year (2021), and the reason for achieving a loss for the current year compared to the loss of previous year is due to the impairment of goodwill associated with subsidiaries. These subsidiaries were recently acquired and are going through a major restructuring process. In addition, there is also a loss due to the market value of the company's financial portfolio due to poor stock market conditions. Work is still underway to regularize the Kuroki after the issuance of an electronic sukk for the land Khumra, south of Jeddah. The company is currently leasing some of its space in the form of small warehouses to generate additional income. Besides, the company has already started the engineering work to build a modern central cold store in Khumra and the company plans to build additional large warehouses once the Kuroki will be issued for our Khumra land.

**2- Logistics Sector Activity:**

The company provides storage services to others within the Kingdom by renting its frozen warehouse in Jeddah. Management is looking for investment opportunities in this sector to acquire and merge with the operations of the existing facility. In 2022, the company achieved a net profit of SAR 1,778 million compared to a profit of SAR 298,000 during the year 2021.

**The company's plan and reform steps to turn it into profitability:**

- ❖ Purchase profitable fixed income real estate assets in order to provide continuous income and liquidity for the company.
- ❖ Investing in the logistics sector by acquiring existing companies and building warehouses in Khumra land, Jeddah after obtaining the necessary licenses.
- ❖ Acquisitions in the industrial sector, restructuring and offering them on the Saudi stock market.
- ❖ Investment in medical services of all kinds, including dispensaries, hospitals, etc.
- ❖ Investment in the property management sector.
- ❖ Financial investments with attractive returns.
- ❖ Focusing on the manpower working in the company, improving the work environment, attracting competencies and distinctive human energies, and working to improve the performance of the company and all its departments and subsidiaries.

**Important plans and decisions of the company including structural changes of the company, expansion of its business, cessation of operations and future expectations of the company's business:**

- 1- Using the proceeds of the sale of Al-Jouf Agricultural Project to finance the company's future plans, which aim to enter into other sectors that contribute to maximizing the return to the company's shareholders.
- 2- Using the net proceeds of subscription and offering to finance working capital and invest in income-generating real estate assets and owning shares in privately owned companies.
- 3- Building warehouses in the wine land after obtaining the necessary licenses.
- 4- Increase the efficiency of logistics services, develop, and invest in them.
- 5- Focusing on the distinguished manpower and attracting them and working to improve the performance of the group in all its departments.

**The most important events and activities that were implemented or announced during the year 2022:**

	Date
<p><b>Anaam International Holding Group Co. announces the signing of a Memorandum of Understanding (non-binding) to acquire 100% of the private offices building located in Al-Rawda neighborhood in Jeddah, Prince Sultan Street, for an amount of SAR 325 million, excluding real estate transaction tax)</b></p> <p>Signing a non-binding memorandum of understanding with the owners of private office buildings located in Jeddah, Al-Rawdah district, Prince Sultan Street, in front of the Saudi Airlines building, regarding the possible acquisition of 100% of the private offices building, with a total value of SAR 325,000,000 excluding real estate transaction tax.</p> <p>The private offices project is located in one of the most vital locations in the city of Jeddah on Prince Sultan Street between Tahlia Street and Al-Rawda opposite Saudi Airlines City surrounded by four main streets.</p> <p>This acquisition aims to diversify the business of Anaam Holding Group in addition to working to take advantage of the opportunities in the income-generating real estate sector, which is of great importance for the development of the local economy and the diversification of sources of income.</p>	16/02/2022
<p><b>Anaam International Holding Group Co. announces the issuance of the Board of Directors' resolution to use the fair value or revaluation model to measure real estate and investment properties.</b></p> <p>Anaam International Holding Group Company announced that its Board of Directors has taken a decision on 28-08-1443H corresponding to 31-03-2022 to use the fair value or revaluation model to measure real estate and investment properties, as for the expected financial impact on net assets, it is an amount of SAR 33 million in increase, and the expected financial impact will start from 01-07-2022.</p> <p>In this regard, the Company would like to point out that the use of the new accounting policy does not result in cash flow within the company.</p>	03/04/2022
<p><b>Anaam International Holding Group Co. announces obtaining Shari'a-compliant banking facilities from Alinma Bank</b></p>	17/04/2022

<p>Obtaining banking facilities compliant with the provisions of Islamic Sharia from Alinma Bank on 17/04/2022 to mortgage its commercial building located in Jeddah on Prince Sultan Street</p> <p>To finance part of the purchase value of a commercial building located in Jeddah on Prince Sultan Street was previously announced and the loan will be used after the completion of the legal and financial due diligence reports</p>	
<p><b>Anaam International Holding Group Company announced the signing of a non-binding memorandum of understanding with Abu Zeid Restaurants Company Ltd., regarding the possible acquisition of 55% of the shares of Abu Zeid Restaurants Company Ltd., whose address is the city of Jeddah - Al-Safa district, which works in the field of preparing and serving popular foods and has about 34 branches in the cities of the Kingdom and its sales exceed one hundred million riyals annually, upon reaching a final agreement between the two parties.</b></p> <p>This memorandum aims to determine the understanding on the initial mutual obligations and rights between the two parties regarding the acquisition (purchase) process to be implemented in accordance with the proposals and understandings approved by the two parties. This acquisition also aims to diversify the business of Anaam Holding Group and work to take advantage of the opportunities in the food sector and popular food restaurants, which represent a wide importance in the development of the local economy and diversify sources of income.</p>	<p>Date</p> <p>24/04/2022</p>
<p><b>Anaam International Holding Group Co. announces the signing of a sale and purchase agreement to acquire (55%) of the shares of ARW Industry Company (Limited Liability Company - One Person Company)</b></p> <p>Anaam International Holding Group announces the signing of a binding sale and purchase agreement regarding the acquisition of 55% of the shares of ARW Industry Company on 25/09/1443H corresponding to 26/04/2022. The total value of this transaction is (SAR 15,000,000), fifteen million Saudi riyals only, and the value will be paid in cash from the company's own resources in order to finance the increase of production lines and support sales.</p> <p>The agreement with ARW Industry is subject to a number of conditions, including, but not limited to, obtaining the approval of the competent government authorities, and completing certain legal procedures. It should be noted that there are no related parties to the agreement mentioned in the declaration.</p>	<p>Date</p> <p>26/04/2022</p>



<p>This acquisition aims to diversify the business of Anaam Holding Group in addition to working to take advantage of the opportunities in this sector, as the medical sector is of great importance to the development of the local economy, diversify sources of income, and increase the country's GDP.</p>	
	Date
<p><b>Anaam International Holding Group announces the results of the Extraordinary General Assembly Meeting which included the approval of the company's capital increase (Third Meeting)</b></p> <p>Anaam International Holding Group Company announces the results of the extraordinary general assembly meeting (third meeting), which was held at exactly six thirty in the evening on Tuesday 16-10-1443 AH (corresponding to 17-5-2022) through modern technology using the Tadawulaty platform, knowing that the third meeting is held correctly, regardless of the number of shares represented in it:</p> <ol style="list-style-type: none"> <li>1. Approval of the Board of Directors' recommendation to increase the capital by way of a rights issue in accordance with the following: <ol style="list-style-type: none"> <li>a) The company's capital before the increase is (105,000,000) Saudi riyals divided into (10,500,000) ordinary shares.</li> <li>b) The company's capital after the increase is (315,000,000) Saudi riyals divided into (31,500,000) ordinary shares.</li> <li>c) The total amount of the increase is (210,000,000) Saudi Riyals</li> <li>d) Capital Change Ratio: 200% <ul style="list-style-type: none"> <li>• Number of shares before increase: (10,500,000) shares</li> <li>• Number of shares after increase: (31,500,000) shares</li> <li>• Percentage increase per share: 2 shares per share</li> </ul> </li> <li>e) Reason for capital increase: The company aims to finance working capital, invest in real estate assets, and own shares in privately owned companies.</li> <li>f) Capital Increase Method: Offering and listing of rights issue shares for (21,000,000) ordinary shares.</li> <li>g) Eligibility Date: In the event that the Company's shareholders approve the capital increase at the Extraordinary General Assembly Meeting, the eligibility will be for all the Company's shareholders who are registered in the Company's records at the Securities Depository Center (Edaa) at the end of the second trading day following the Extraordinary General Assembly meeting in which it was decided to increase the capital. <ul style="list-style-type: none"> <li>• Offer value per share and nominal value: SAR 10</li> <li>• Number of shares offered: 21,000,000 ordinary shares.</li> </ul> </li> <li>h) Amendment of Article (7) of the Company's Articles of Association related to (Capital)</li> <li>i) Amendment of Article (8) of the Company's Articles of Association related to (Subscription in Shares)</li> </ol> </li> </ol>	<p>18/05/2022</p>

2. Approval of the amendment of Article (26) of the Company's Articles of Association related to the attendance of assemblies.	
3. Approval of the update of the Audit Committee's work regulations	
	Date
<b>Anaam International Holding Group announced the completion of the procedures for the acquisition of 55% of the shares of ARW Industry Company (limited liability company - one person company)</b>	01/06/2022
<p>Further to the announcement of Anaam International Holding Group Company, published on Tadawul website on Tuesday 5/09/1443AH corresponding to April 26, 2022, regarding the signing of a sale and purchase agreement to acquire (55%) of the shares of ARW Industry Company (Limited Liability Company - One Person Company)</p> <p>The company would like to announce to the shareholders that it has completed all procedures related to the acquisition transaction on Wednesday 02/11/1443H corresponding to 01/06/2022.</p> <p>ARW Industry manufactures medical supplies through its factory located in the third industrial area in Jeddah. Anaam International Holding Group Company signed a sale and purchase agreement on 55% of the shares of ARW Company on 26/04/2022, and the total value of this transaction is an amount of 15 million Saudi riyals, the value will be paid in cash from the company's own resources in order to finance the increase of production lines and support sales.</p> <p>The signing of the agreement is part of Anaam Holding's expansion plan to enhance its market position in line with its strategic objectives.</p>	
	Date
<b>Anaam International Holding Group Company announces the signing of a (binding) agreement for the sale, purchase, and acquisition of (100%) of the private offices building located in Al-Rawdah District - Prince Sultan Street - Jeddah</b>	21/06/2022
<p>With reference to the announcement of Anaam International Holding Group Company on Tadawul website on 16/02/2022 signing a non-binding memorandum of understanding with the owners of private office buildings located in Jeddah, Al-Rawdah district, Prince Sultan Street, regarding the possible acquisition of 100% of the private offices building. Anaam International Holding Group Company announces the signing of a sale and purchase agreement (binding) in relation to the acquisition of 100% of the private office building.</p>	
	Date
<b>Anaam International Holding Group announces the purchase of a real estate asset.</b>	22/06/2022

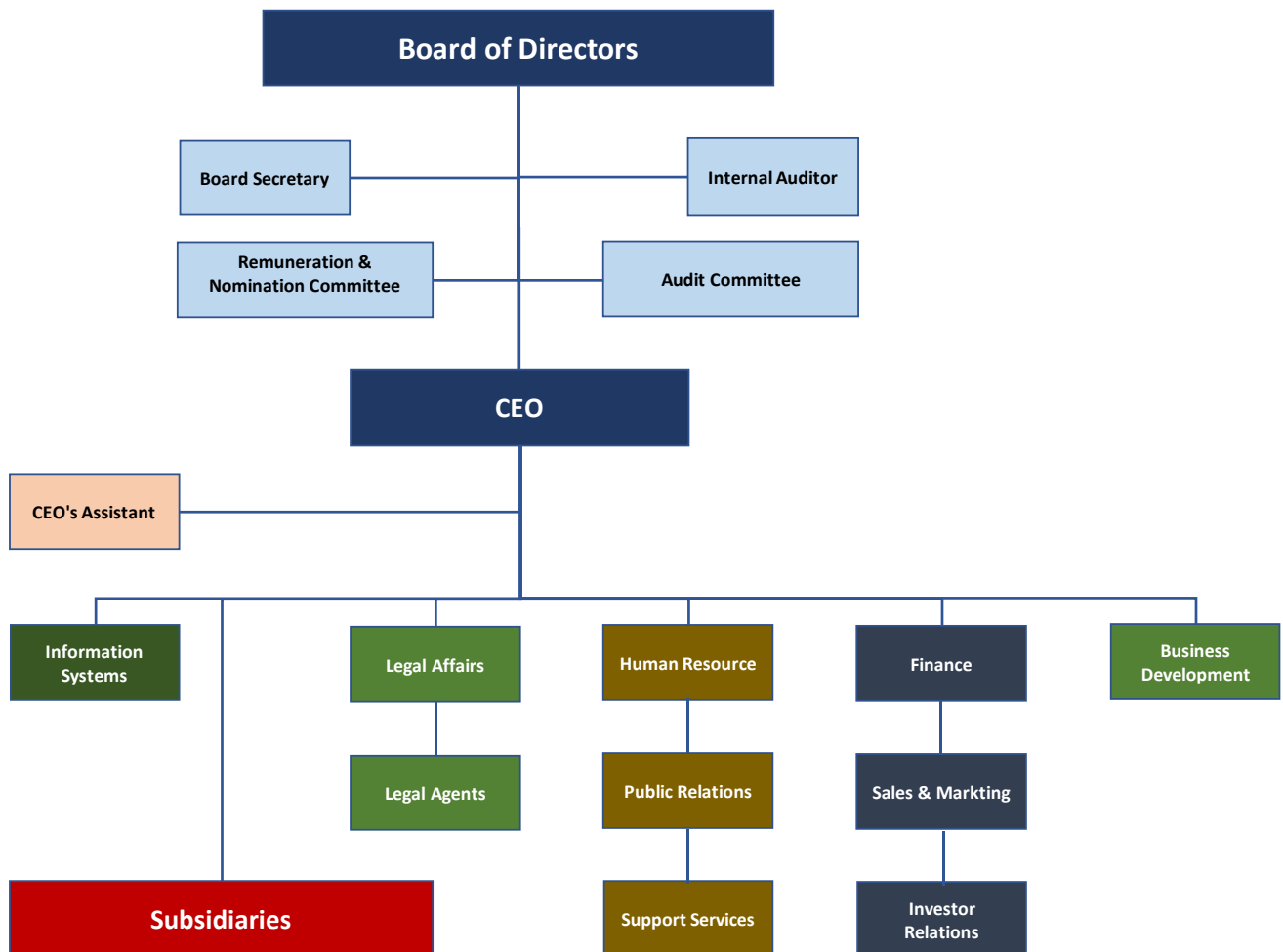
<p>For the purposes of expansion and diversification in the company's investments and the acquisition of income-generating assets, a real estate asset (administrative residential building) was purchased in Prince Mohammed bin Abdulaziz Street - Jeddah by auction.</p> <p>Purchase of the real estate building consisting of an administrative residential building on Prince Mohammed bin Abdulaziz Street (Tahlia Street) (the most vital location in the city of Jeddah) and consisting of 4 floors, offices, and apartments worth 23 million riyals.</p>	
<p><b>Anaam International Holding Group Co. announces the completion of the procedures for the purchase and transfer of ownership of private office buildings to the name of the company.</b></p> <p>Further to the announcement of Anaam International Holding Group Company, published on Tadawul website on Tuesday 22/11/1443 AH corresponding to 21/6/2022 regarding the signing of a sale and purchase agreement to acquire (100%) of the private offices building located in Al-Rawdah District - Prince Sultan Street - Jeddah</p> <p>The company would like to announce to the valued shareholders the completion of the procedures for transferring the ownership of the property to the name of the company, on Sunday 24/07/2022.</p>	<p>Date</p> <p>24/07/2022</p>
<p><b>Anaam International Holding Group Co. announces the issuance of the Board of Directors' resolution to start the liquidation procedures for some of its subsidiaries.</b></p> <p>With the aim of focusing and entering into alternative investments that achieve sustainable returns for the company and diversify its various activities, Anaam International Holding Group Company announces the issuance of its Board of Directors resolution dated 16/08/2022 approving the start of liquidation procedures for:</p> <ol style="list-style-type: none"> <li>1. Anaam International Financial Company (limited liability owned by the group by 100%) because of the lack of need as it has not practiced an actual activity since its establishment.</li> <li>2. Anaam International Agricultural Company (a limited liability company owned by the group by 100%), where the group sold the agricultural project supervised by this company with the aim of exiting the agricultural sector and thus its purpose was lost. Note that it is expected that there will be no financial impact as a result of the liquidation of the aforementioned companies.</li> </ol> <p>The company will announce any significant developments in this regard.</p>	<p>Date</p> <p>17/08/2022</p>

	Date
<p><b>Anaam International Holding Group Co. announces the completion of the procedures for purchasing a real estate asset.</b></p> <p>Following the announcement of Anaam International Holding Group Company, published on Tadawul website on Wednesday 23/11/1443 AH corresponding to 22/6/2022 regarding its purchase of a real estate asset (administrative residential building) on Prince Mohammed bin Abdulaziz Street in Jeddah</p> <p>The company would like to announce to the honorable shareholders the completion of the procedures for purchasing and transferring the property to the name of the company on Wednesday 24/08/2022.</p>	24/08/2022
	Date
<p><b>Anaam International Holding Group Co. announces that it was unable to publish its financial results for the six months ended on 30/06/2022 on the Saudi Stock Exchange (Tadawul) website on time.</b></p> <p>Anaam International Group Holding Company would like to clarify to the valued shareholders that it will not be able to publish the financial statements for the six months ended June 30, 2022, on the specified date, due to the failure to provide the auditor with the external reports required to date, and it is expected to be completed within three weeks.</p> <p>The company would also like to clarify that the procedures for suspending trading of listed securities will apply to it in accordance with the Listing Rules approved by the CMA Board Resolution No. (1-10-2019) dated 24-05-1440H corresponding to 30-01-2019 and announced on Tadawul website on 25 March 2019.</p> <p>The results for the six months ending on 30/06/2022 were announced on 26/09/2022.</p>	25/08/2022
	Date
<p><b>Anaam International Holding Group Co. announces the Board of Directors' recommendation to increase the company's capital by way of Rights Issue</b></p> <p>Anaam International Holding Group Company announced the recommendation of the Board of Directors to increase the company's capital through a right issue.</p> <p>Total amount to be obtained SAR 157,500,000.</p>	04/10/2022

<p>Objective of financing working capital, reducing lending rates and supporting the company's future activities.</p> <p>The Financial Brokerage Company (Wasatah Capital) has been appointed as the financial advisor for the subscription and submitted the capital increase application file to the CMA.</p>	
	Date
<p><b>Anaam International Holding Group Company announces the issuance of an electronic deed of ownership of the winery land south of Jeddah in the name of the company.</b></p> <p>Anaam International Holding Group Company announced the issuance of an electronic deed of ownership of the entire land belonging to it, located in the Khumra area, south of Jeddah, for the benefit of the company. The land area is 151,465.98 (one hundred fifty-one thousand, four hundred and sixty-five square meters and ninety-eight centimeters). The financial impact will appear after the valuation of the land.</p>	07/11/2022

### **Organizational Structure and Human Resources:**

The company always seeks to improve performance and human resources development and contribute to attracting and providing qualified cadres, selecting, appointing and motivating excellent workers, preparing training programs and developing the ability and skills of workers, the company has also prepared the organizational structure to serve its interests based on the developments of its circumstances and install the principle of compliance with laws and improve the rates of localization and Saudization in the company by replacing Saudi cadres in addition to providing job opportunities for women in various departments of the company, and by applying a planning project Enterprise Resources is an information system project designed to coordinate all resources, information and activities necessary to complete practical procedures, for example, accounting, human resources, finance, projects and customer base management within a unified database.





### Equity Affairs and Investor Relations Department:

Dedicated team to provide information and to communicate with the shareholders also to respond to their inquiries through the company's website and through the shares and announcements section of Tadawul.

### Saudization:

The Saudization rate as at 31/12/2022 for the group companies reached 40%, and thus the group is classified in the high green range within the Nitaqat program of the Labor Office, and the company seeks to raise its classification to a higher scope by recruiting more Saudi citizens and training them to occupy various positions in all sectors of the company.

**International Financial Reporting Standards:**

The company's all accounting policies necessary for the preparation of its financial statements are carefully prepared in accordance with international accounting standards. All financial reporting approved by the Board of Directors during the fiscal year 2022 interim and annual during the specified statutory periods have also been prepared accordingly.

**Value Added Tax (VAT):**

The company applies VAT in line with the regulations in force in the Kingdom and the company has been registered in VAT with the General Authority of Zakat and Tax and files the return on monthly basis by the holding company and quarterly return by the subsidiaries and the amount due at the end of the year is 640,868.47 riyals.

**Financial Position:**

The attached financial statements shall present and fairly show in all material respects the results of the financial year ended 31/12/2022 in accordance with the generally accepted accounting standards appropriate to the company's activity, accounting concepts and general presentation and disclosure standards issued by the Saudi Organization for Certified Public Accountants in the Kingdom of Saudi Arabia.

**Report of the External Auditor:**

**The company's auditor issued a report (drawing attention) for the annual financial statements for the year 2022 AD and the paragraph was as follows:**

**Material uncertainty related to continuity.**

We would like to draw attention to Note 2-4 to these consolidated financial statements, which shows that the Company incurred a loss after zakat of SAR 31.47 million during the year ended 31 December 2022, and the Group's current assets exceeded current liabilities by SAR 243.87 million, these events or circumstances indicate a material uncertainty as to the Group's ability to remain a going concern. Our opinion has not been modified regarding this matter.

**Drew attention:**

We would like to draw attention to the following.

- As indicated in Note 6 to the consolidated financial statements, property, plant, and equipment includes land valued at SAR 14 million and the registration procedures for which in the name of the Group have not been completed.



- As indicated in Note 7 to the consolidated financial statements, investment real estate includes land worth SAR 16.5 million, for which registration procedures have not been completed in the name of the Group. Our opinion regarding these matters has not been modified.

#### Another thing

The Group's consolidated financial statements as at 31 December 2021 have been reviewed by another auditor who issued an unmodified opinion on his report as at 31 March 2022.

#### **Clarification of the Board of Directors of the attention-drawing paragraphs:**

The management of the Group believes that despite these difficulties, the Group is able to continue as a going concern by restructuring its business activities and entering into new business. Whereas the Group's viability depends on the existence of adequate funding and profitable future operations. Furthermore, the Group's Board of Directors has proposed plans to increase the Group's capital.

The future plan of the group after the sale of the Al-Jouf project is as follows.

- Increasing the company's capital after the reduction by issuing rights issues to use the subscription proceeds to purchase income-generating real estate assets to provide a source of income and liquidity for the company continuously.
- Raising the efficiency of logistics services provided by the group to its customers, maintaining central refrigerators, replacing some of the current (old) refrigeration devices with modern and high-tech ones, in addition to investing in the construction of modern central refrigerators.
- Work on rescheduling and settling the company's remaining debts and increase the effort exerted to collect the group's debts with others, focusing on the distinguished workforce and working to improve the performance of the group in all its departments.

The Group has a land in Al-Khumra district in Jeddah with an area of 197,000 meters at a value of 16.5 million Saudi riyals within the lands that belonged to the group at the time of the merger in 1995 under the merger documents and the land is under the company's possession and there is no dispute over it, and it is exploited by the company. The property and machinery and equipment item also includes land and a building in the amount of 20 million Saudi riyals as a guarantee in accordance with the financing agreement with Karnaf Investment and Installment Company, and the instrument was registered in the name of Karnaf and installment company, and procedures are currently underway to retrieve the instrument in the name of the company after the end of the purpose of the financing agreement and its closure.

**The results of the activity and the percentages of each of them in the last five years:**

Results of the last five years (amount in thousands of riyals)		
General	Profit/ (loss)	Percentage of sales
2018	(15,379,523)	-37.8%
2019	(19,324,481)	-229.7%
2020	(8,714,874)	-106.4%
2021	(17,050,982)	-220%
2022	(16,971,171)	-56%

**First: Revenues and Business Results by Activities:**

Decsription	Year 2022	Year 2021	Change	Change %
Sales	30,318,193	7,737,793	22,580,400	292%
Cost of Sales	17,424,815	5,129,717	12,295,098	240%
Gross profit	12,893,378	2,608,076	10,285,302	394%
Operating Expenses	29,864,549	19,659,058	10,205,491	52%
Other revenue (expenses)	(10,675,249)	(1,130,284)	(9,544,965)	844%
Operating profit (loss) before zakat	(16,971,171)	(17,050,982)	79,811	-0.5%
Less: zakat and income tax	3,819,075	-	3,819,075	100%
Net profit for the year after zakat	(31,465,495)	(18,181,266)	(13,284,229)	73%

*There are no revenues for subsidiaries outside the Kingdom.*

**Clarification of the most important material differences in the operating results for the year 2022:**

- The company achieved a net loss of 31,465 million compared to a loss of 18,181 million for the previous year due to losses incurred from short-term investments in securities and impairment of goodwill associated with subsidiaries.
- There is an increase in gross profit by 394% during this year compared to the previous year, mainly as a result of the increase in sales by 292%, note that the operating costs for the current year increased by 52% compared to the previous year, mainly as a result of investment costs in some projects in line with the announced strategy, and entering into new investments to finance the company's future plans, which aim to maximize the company's profit return according to For the previously advertised company plan.

**Revenues are distributed according to geographical regions within the Kingdom as shown in the table below:**

Statement	Geographical area	Revenue & Sales	Operating profit (loss)
Anaam Holding – General Administration	Western Region – Jeddah	14,968,029	(12,225,608)
Anaam International Food Company (Leasing & Storage)	Western Region – Jeddah	4,815,000	1,262,490
Entertainment & Cosmetology	Central Region - Riyadh	8,327,879	(3,800,368)
Medical & Health Sector	Western Region – Jeddah	2,207,285	(2,207,685)

**Second: A statement of the company's assets and liabilities for the last five years:**

Assets and liabilities for the last five years (amount in thousands of riyals)						
General	Current Assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total Liabilities
2018	10.318	151.830	162.148	45.499	2.903	48.403
2019	6.144	144.927	151.071	132.218	3.063	135.281
2020	102.97	123.063	226.033	4.857	132.230	137.087
2021	113.396	155,535	268,931	151,330	2,301	153,631
2022	63,973	530,657	594,630	307,841	5,323	313,171

### **Statutory payments due**

#### **1- Loans and total indebtedness of the company: -**

The following are the details of the total loans with total repayments and related information during the fiscal year 2021:

S.	Loan From	Principal value	Loan Term	Paid until the end of 2022	Remaining amount of the loan	Total indebtedness of the company and its subsidiaries
1	Saudi Industrial Development Fund	16,870,000	7 Years	2,250,000	14,620,000	169,895,148
2	Alinma Bank Loan	153,225,570	10 Years	0	153,225,570	
3	Saudi Industrial Development Fund	2,000,000	5 Years	540,000	1,460,000	
4	Riyad Bank Loan	589,578	5 Years	0	589,578	

**Statutory Payments:**

Statement	2022	
	Paid	Due until the end of the annual financial period and not paid
Zakat	8,244,680	102,501,673
General Organization for Social Insurance	226,417	30,000
Visa and passport costs	52,000	-
Labor Office Fees	197,755	-

**Zakat status:**

The holding company received a letter from the Zakat, Tax and Customs Authority dated February 25, 2019, demanding the payment of Zakat differences of SAR 106,927,278 for the years from 1995 to 2011. A provision was formed in these consolidated financial statements in the amount of SAR 88,552,906 during the year 2019, in addition to the amount of provision recorded in the consolidated financial statements for the financial year ended 31 December 2018 in the amount of SAR 18,374,372, therefore the total amount of provision recorded in the consolidated financial statements is SAR 106,927,278. The company submitted its Zakat returns to the Zakat, Tax and Customs Authority for the years from 1995 to 2018 on the basis of the consolidated financial statements And I got a restricted certificate. The company submitted its Zakat declaration for the year ending on December 31, 2020, to the Zakat, Tax and Customs Authority and obtained a registered certificate. The company submitted its Zakat declaration for the year ending on December 31, 2020, to the Zakat, Tax and Customs Authority and obtained a registered certificate valid until April 30, 2022. On November 17, 2019, the Group submitted an objection to an assessment for the years mentioned above, the objection is still under review by the Authority, and a final Zakat estimate was issued for the years 2012 to 2018, resulting in an additional Zakat difference claim of only 7 million. An objection to these assessments was submitted to the General Secretariat of the Tax Committees on October 15, 2020. On June 23, 2021, the Tax Committee for the Resolution of Tax Violations and Disputes rejected the Group's objection to the additional Zakat claim in the amount of 106.93 million riyals. The group filed its objection and believes that it still has a good chance of accepting this objection.

### **1- Equity and debt instruments activities:**

During the year 2022, there are no debt instruments or treasury bills issued by the Company, and there is no interest in the voting class of shares for any persons, and there is no interest, option rights and subscription rights belonging to the members of the Board of Directors, senior executives or their family members in the Company's shares, nor are there any debt instruments convertible into shares or any option rights, right memoranda or similar rights issued by the Company or granted during the financial year ended on that date, there are no conversion or subscription rights under debt instruments convertible into shares, option rights or similar rights certificates issued or granted by the Company during the year 2022, nor is there any redemption, purchase or cancellation by the Company of any recoverable debt instruments nor is there any arrangement or agreement whereby any of the shareholders waives rights to profits.

### **Subsidiaries and Affiliates:**

Company Name	Capital	Main activity	State of Incorporation	Percentage of equity contribution
Saudi Cold Store Company Ltd.	19.5 million riyals	Food Trading	Saudi Arabia/Jeddah	90%
Anaam International Agricultural Company	1 million riyals	Agricultural crops	Saudi Arabia/Al-Jouf	100%
Anaam International Financial Company Ltd.	1 million riyals	Wholesale trade	Saudi Arabia/Jeddah	100%
Anaam International Investment Company Ltd.	1 million riyals	Real Estate & Services	Saudi Arabia/Jeddah	100%
Anaam International Food Company Ltd.	500 thousand riyals	Food Trading	Saudi Arabia/Jeddah	100%
Wasit Saudi Entertainment Systems and cosmetology for industry Company	17 million riyals	Manufacturing and marketing of toys and entertainment equipment	Saudi Arabia/Sudair	51%
Arrow Industry Company	1.2 million riyals	Medical Supplies Manufacturing	Saudi Arabia/Jeddah	55%

### **Board of Directors:**

The company's articles of association included detailed tasks for the board of directors, the most important of which is the adoption of the strategic directions and main objectives of the company, supervising their implementation, setting systems and controls for control and supervising them, in addition to approving the main budgets, guidelines and financial policies, ensuring the application of policies that regulate the relationship with stakeholders in order to protect them and preserve their rights, and ensuring the application of policies and tools that ensure respect for laws and regulations and commitment to disclosure to the public, shareholders, creditors and other stakeholders. The Board also plays other roles through its committees in following up the application of modern systems and resource planning and linking the company to the community within the limits of the possibilities available to the company as it seeks to rehabilitate and maintain Saudi elements and provide training programs, loans, and assistance as much as possible.

### **1- Names of the members of the Board of Directors, members of the committees, and the executive management:**

#### **First: Members of the Board of Directors**

- \* The number of members of the Board of Directors according to the company's articles of association is five members, and the members for the current session starting on 28/11/2021 and ending on 27/11/2024 are:

<b>M</b>	<b>Name</b>	<b>Membership classification (Executive – Non-Executive – Independent)</b>
1	Eng. Hassan Saad Al-Yamani	Executive Member
2	Dr. Khalid bin Waheeb Mohammed Makled	Independent Member
3	Dr. Waleed Jameel Mohammed Ali Qattan	Non-Executive Member
4	Mr. Mohammed Abdulrahman Saleh Attar	Independent Member
5	Mr. Raed Mohammed Abdulla Kati	Non-executive member

M	Name	Current Position	Previous Post	Qualifications
1	Mohammed Abdulrahman Saleh Attar	<b>Chairman of the Board of Directors</b> - Member of the Remuneration and Nomination Committee Director and owner of Al-Sayyad Trading Establishment and works in the field of wholesale and retail trade in fresh fish - sole proprietorship - Jeddah	Businessman	- Bachelor of Economics - Fisheries and Marine Affairs - University of Washington, USA - 1980
2	Dr. Waleed Jamil Qattan	<b>Board Member</b> Member of the Remuneration and Nomination Committee Chairman of the Board of Directors of Kattan Media Company (Limited Liability Company) within the Kingdom	Director General of Okaz Press Foundation	- Ph.D. Quality of Press Establishments 2009 - Master of Media Quality and Environment 2007 - Bachelor of Economics and Science, Cairo University 1978
3	A. Raed Mohammed Abdullah Kati	<b>Board Member</b> Member of the Audit Committee Member of the Board of Directors of Wasit Saudi Company for Entertainment and Beauty Systems for Industry - a closed joint stock company - Member of the Board of Directors of Arrow Industry Company	General Manager of Senior Clients & Sales Development Al Banawi Industrial Group Management Consultant	- Master of Information Systems Engineering Management, George Washington University, USA, 1998 - Bachelor of Law, King Abdulaziz University, Jeddah 1994
4	Eng. Hassan Saad Farhan Al-Yamani	<b>Board Member</b> CEO Chairman of the Board of Directors of Wasit Saudi Company for Entertainment and Beauty Systems – Joint Stock Company Chairman of Arrow Industry - Closed	CEO	- MBA from the University of Pennsylvania – Whorton School of Business in America 1983
5	Dr. Khalid Bin Waheeb Muhammad Makled	<b>Board Member</b> Chairman of the Remuneration and Nomination Committee Member of the Audit Committee	University professor	- PhD in Networks and Analysis of Information Systems and their Applications from the University of Bradford, United Kingdom 2007.
6	Saeed Siddiqui	<b>Chief Financial Officer</b>		- Bachelor of Accounting University of Karachi 1992

Name	Experiences
<b>Mohammed Abdulrahman Saleh Attar</b>	36 years: Private business fish production and marketing. – Member of the Agricultural Committee of the Chamber of Commerce 1997-2006 – Attending many relevant workshops and seminars and presenting lectures on them.
<b>Dr. Waleed Jamil Qattan</b>	10 years: 35 years: Great experience in various economic, commercial, and administrative fields and specialization in marketing, advertising, distribution and management. Member of many institutions, professional bodies, chambers of commerce and specialized associations.
<b>A. Raed Mohammed Abdullah Kati</b>	7 years: 12 years: Extensive in the field of sales and banking management Administrative Consultant – License 14850 Ministry of Commerce
<b>Eng. Hassan Saad Farhan Al-Yamani</b>	<b>2010 to date:</b> CEO of Anaam Holding Group <b>9 years:</b> Managing Director of Saudi Leasing Company <b>10 years:</b> Managing Director of Tamleek Company Ltd. <b>3 years:</b> Middle East Managing Director of Crescent Point Investment
<b>Dr. Khalid Bin Waheeb Muhammad Makled</b>	<b>2019 to date:</b> part-time consultant to the Agency for Development and Sustainable Development - University of Jeddah. <b>2016-2019:</b> Dean of the Deanship of Knowledge Resources, University of Jeddah Vice Dean of Admission at the University from 2010-2015, and from 2007 to 2010 Vice Dean of the Faculty of Computing and Information Technology for Higher Studies and Scientific Research and from 1987-1994 Systems analyst, assistant, and programmer at the Computer Center at King Abdulaziz University.
<b>Saeed A. Siddiqui</b>	<b>28 years:</b> Diversified experiences in the field of financial management accounting.

**The Board of Directors held six (6) meetings during the year 2022, Details of their attendance are as follows:**

Name	First Meeting 31/3/2022	Second Meeting 24/05/2022	Third Meeting 16/8/2022	Fourth meeting 25/9/2022	Fifth meeting 03/10/2022	Sixth meeting 09/11/2022	Attendance rate for the period
Mr. Mohammed Abdulrahman Saleh Attar	√	√	√	√	√	√	100%
Eng. Hassan Saad Farhan Al-Yamani	√	√	√	√	√	√	100%
Dr. Waleed Jameel Mohammed Ali Qattan	√	√	√	√	√	√	100%
Mr. Raed Mohammed Abdulla Kati	√	√	√	√	√	√	100%
Dr. Khalid bin Waheeb Mohammed Makled	√	√	√	√	√	√	100%



**Number of the company's requests for the shareholders' register (10 applications), dates and reasons for such requests:**

Number of company requests for shareholder register	Order Date	Reasons for the request
1	April 12, 2022	For the purpose of the General Assembly
2	May 12, 2022	For the purpose of the General Assembly
3	May 17, 2022	For the purpose of convening the Ordinary General Assembly.
4	May 17, 2022	For the purpose of convening the General Assembly
5	June 19, 2022	For the purpose of corporate actions
6	June 22, 2022	For the purpose of the General Assembly
7	June 23, 2022	For the purpose of corporate actions
8	August 01, 2022	For the purpose of corporate actions
9	September 19, 2022	For the purpose of corporate actions
10	03 January 2022	Corporate Procedures (Record 31/12/2022)

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

Name	Experiences
<b>Mohammed Abdulrahman Saleh Attar</b>	36 years: Private business fish production and marketing. – Member of the Agricultural Committee of the Chamber of Commerce 1997-2006 – Attending many relevant workshops and seminars and presenting lectures on them.
<b>Dr. Waleed Jamil Qattan</b>	<b>10 years:</b> Member of the Board of Directors and Member of the Audit Committee Rewards and nominations <b>35 years:</b> Great experience in various economic, commercial, and administrative fields and specialization in marketing, advertising, distribution, and management. Member of many institutions, professional bodies, chambers of commerce and specialized associations.
<b>A. Raed Mohammed Abdullah Kati</b>	<b>7 years:</b> Board Member Member of the Audit Committee Member of the Remuneration and Nomination Committee <b>12 years:</b> Extensive in the field of sales and banking management Administrative Consultant – License 14850 Ministry of Commerce
<b>Eng. Hassan Saad Farhan Al-Yamani</b>	<b>2010 to date:</b> CEO of Anaam Holding Group <b>9 years:</b> Managing Director of Saudi Leasing Company <b>10 years:</b> Managing Director of Tamleek Company Ltd. <b>3 years:</b> Middle East Managing Director of Crescent Point Investment
Doctor Khalid Bin Waheeb Muhammad Makled	<b>2019 to date:</b> part-time consultant to the Agency for Development and Sustainable Development - University of Jeddah. <b>2016-2019:</b> Dean of the Deanship of Knowledge Resources, University of Jeddah Vice Dean of Admission at the University from 2010-2015, and from 2007 to 2010 Vice Dean of the Faculty of Computing and Information Technology for Higher Studies and Scientific Research and from 1987-1994 Systems analyst, assistant, and programmer at the Computer Center at King Abdulaziz University.
Saeed A. Siddiqui	<b>28 years:</b> Diversified experiences in the field of financial management accounting.

**Committees of the Board of Directors:**

**Audit Committee:**

On 22/11/2021, the company's general assembly convened and elected a new board of directors for the beginner session on 28/11/2021 for a period of three years, and also approved the formation of the audit committee for the starting session on 28/11/2021 to 27/11/2024, and its members are:

- 1- Ahmed Tariq Abdulrahman Murad (Member from outside the Council)
- 2- Raed Mohammed Abdullah Kati.
- 3- Dr. Khalid Bin Waheeb Muhammad Makled

Name	Current Position	Previous Post	Qualifications	Experiences
A. Raed Mohammed Abdullah Kati	Member of the Audit Committee	Member of the Audit, Remuneration and Nomination Committees	Master of Information Systems and Management Bachelor of Law.	3 years Member of the Audit Committee and the Remuneration and Nomination Committee Ten years of experience in the field of sales and banking management.
A. Ahmed Tariq Abdulrahman Murad	External Audit Committee Chairman		Master of Business Administration from the University of San Francisco, USA 1988 Bachelor of Science in Civil Engineering, Worcester Institute, USA, 1984	Consulting Engineer Murad Engineering Consultants Company – Senior Executives Corporate Finance Department Shamil Bank Bahrain – Executive Director of Asset Management and Research Development at Alkhabeer Financial Consulting Vice Chairman and Head of Financial Investment Saudi Fertilizer Company
Dr. Khalid Bin Waheeb Muhammad Makled	Member of the Audit Committee	University professor	PhD in Networks and Analysis of Information Systems and their Applications from the University of Bradford, United Kingdom 2007. Master of Computer, University of Detroit, USA, 1994 Bachelor of Computer - Metropolitan State University, USA, 1986.	2019 to date, part-time consultant to the Agency for Development and Sustainable Development - University of Jeddah. 2016-2019 Dean of the Deanship of Knowledge Resources, University of Jeddah Vice Dean of Admission at the University from 2010-2015, and from 2007 to 2010 Vice Dean of the Faculty of Computing and Information Technology for Higher Studies and Scientific Research and from 1987-1994 Systems analyst, assistant, and programmer at the Computer Center at King Abdulaziz University.

### **Tasks of the Audit Committee:**

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

- 1) Studying the company's interim and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommending them to ensure their integrity, fairness, and transparency.
- 2) Expressing a technical opinion at the request of the Board of Directors on whether the report of the Board of Directors and the company's financials are fair, balanced, and understandable and include information that allows shareholders, Investors to evaluate the company's financial position, performance, business model and strategy.
- 3) Examining any important or unusual issues contained in the financial reports.
- 4) Studying any important or unusual issues contained in the financial reports thoroughly research any issues raised by the company's financial manager or whoever assumes his duties or an official Commitment to the company or auditor.
- 5) Verifying accounting estimates in material matters contained in the financial reports.
- 6) Studying the accounting policies followed and expressing an opinion and recommendation to the Board of Directors thereon.
- 7) Studying and reviewing the internal and financial control systems and risk management in the company.
- 8) Studying the internal audit reports and following up the implementation of corrective actions for the observations contained therein.
- 9) Control and supervise the performance and activities of the internal auditor and the internal audit department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the business and the tasks entrusted to it, and if the company does not have an internal auditor, the committee shall submit its recommendations to the Council on the need to appoint him.
- 10) Recommending to the Board of Directors the appointment of the Director of the Internal Audit Unit or Department or the Internal Auditor and propose his reward.
- 11) Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees, and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contract.
- 12) Verification of the independence, objectivity and fairness of the auditor and the duration of the effectiveness of the auditor's work taking into account the relevant rules and standards.

- 13) Reviewing the company's auditor's plan and work and verifying that it is not submitted in general or non-technical or Administrative outside the scope of the review work and expressing its views on it.
- 14) Answering the inquiries of the company's auditor.
- 15) Study the auditor's report and observations on the financial statements and follow up on what has been taken in this regard.
- 16) Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures about them.
- 17) Verify the company's compliance with the relevant laws, regulations, policies, and instructions.
- 18) Review the contracts and transactions proposed to be conducted by the company with the relevant parties and submit its views on them to the Board of Directors.
- 19) Submit any matters it deems necessary to take action to the Board of Directors and recommendations for actions to be taken.
- 20) Develop a mechanism that allows employees in the company to submit their observations on any violation in the financial reports or others confidentially. The Committee shall verify the application of this mechanism through an independent and appropriate investigation with the size of the error or override and the adoption of appropriate follow-up procedures.

The Audit Committee held (5) meetings during the year 2022, in which it studied the initial and annual financial statements of the company and expressed its observations and recommendations to the Board. It also studied the accounting policies used, and it carried out all its tasks stipulated in the regulations organizing its work.

**The Audit Committee held five (5) meetings during the year 2022 with the details of its attendance as follows:**

Name	First meeting 30/3/2022	Second Meeting 17/5/2022	Third meeting 23/5/2022	Fourth meeting 25/9/2022	Fifth Meeting 09/11/2022	Attendance Rate
Mr. Ahmed Murad	√	√	√	√	√	100%
Dr. Khaled Makled	√	√	√	√	√	100%
Mr. Raed Katy	√	√	√	√	√	100%

### **Remuneration and Nomination Committee:**

On 28/11/2021, the Board of Directors decided to form the Remuneration and Nominations Committee for the starting session on 28/11/2021 to 27/11/2024 from:

- 1- Dr. Khalid bin Waheeb Mohammed Makled - Supervisor
- 2- Mohammed Abdulrahman Saleh Attar - Member
- 3- Dr. Waleed Jameel Mohammed Ali Qattan - Member

Name	Current Position	Previous Post	Qualifications	Experiences
Dr. Waleed Jamil Qattan	Member of the Remuneration and Nomination Committee	Board Member	PhD Quality of Press Facilities Master of Media and Environment Bachelor of Economics and Science	9 Board Member, Audit Committee Member and Remuneration and Nomination Committee Member 30 years of great experience in various economic fields, commercial and administrative fields, specializing in marketing, advertising, distribution, and management.
Mohammed Abdulrahman Saleh Attar	Member of the Remuneration and Nomination Committee	Businessman	Bachelor of Economics, Fisheries and Marine Affairs, 1980, University of Washington, USA	35 years Private business fish production and marketing. Member of the Agricultural Committee of the Chamber of Commerce Attending many relevant workshops and seminars and presenting lectures on them.
Dr. Khalid Bin Waheeb Muhammad Makled	Chairman of the Remuneration and Nomination Committee	University professor	PhD in Networks and Analysis of Information Systems and their Applications from the University of Bradford, United Kingdom 2007. Master of Computer, University of Detroit, USA, 1994 Bachelor of Computer - Metropolitan State University, USA, 1986.	2019 to date, part-time consultant to the Agency for Development and Sustainable Development - University of Jeddah. 2016-2019 Dean of the Deanship of Knowledge Resources, University of Jeddah Vice Dean of Admission at the University from 2010-2015, and from 2007 to 2010 Vice Dean of the Faculty of Computing and Information Technology for Higher Studies and Scientific Research and from 1987-1994 Systems analyst, assistant and programmer at the Computer Center at King Abdulaziz University.

## **Tasks and Competencies of the Committee:**

### **1. Regarding bonuses:**

- a) Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the executive management that enhances the motivation of the company's administrative apparatus and the preservation of distinguished cadres, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in that policy the following of standards related to performance, disclosure and ensuring their implementation.
- b) Clarify the relationship between the bonuses granted and the applicable remuneration policy and indicate any material deviation from this policy.
- c) Periodically review the remuneration policy and evaluate its effectiveness in achieving its objectives.
- d) Recommending to the Board of Directors the remuneration of the members of the Board of Directors, its committees, and senior executives in the company in accordance with the approved policy.
- e) Review the financial remuneration of the CEO, including long- and short-term incentives, as well as determine the ceiling of the expected results achieved by the CEO and submit recommendations thereon to the Board of Directors.
- f) Review the CEO's recommendations on the guidelines and general criteria for financial rewards and other benefits for senior executives that the CEO implements in light of the policies followed.
- g) Ensure the company's commitment and observance of the remuneration policy of the members of the Board of Directors and members of the committees emanating from the Board of Directors and the executive management approved by the General Assembly of Shareholders.

### **2. Regarding nominations:**

- a) Proposing clear policies and criteria for membership in the Board of Directors and executive management.
- b) Recommending to the Council the nomination of its members and committees and re-nomination in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime against trust.

- c) Preparing a description of the capabilities and qualifications required for membership of the Council and filling the positions of executive management.
- d) Determine the time that the member must allocate for the work of the Council.
- e) Annual review of the necessary needs of skills and experience appropriate to the membership of the Board and the functions of the executive management, while identifying the weaknesses and strengths of the Board and the executive management and proposing to address them in accordance with the interest of the company.
- f) Review the structure of the Board and the executive management and make recommendations regarding the changes that can be made.
- g) Verify annually the independence of independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- h) Develop job descriptions for independent members, executive members, non-executive, and senior executives.
- i) Establishment of special procedures in the event of a vacancy in the position of a Board member or senior executive
- j) Identify the weaknesses and strengths of the Board and propose solutions to address them in accordance with the interest of the Company.
- k) Provide an appropriate level of training and familiarization to the new board members about the company's tasks and achievements to enable them to perform their work with the required efficiency.
- l) Study and review the performance of the executive management.
- m) Study and review the career replacement plans of the company in general, the Board, the CEO, and senior executives.
- n) Study and review the CEO's recommendations for the appointment and termination of the service of senior executives.
- o) Assist the Board and the Executive Management in developing and reviewing the organizational structure of the company and the operating model that regulates the relationship between the parent company and its subsidiaries.
- p) Monitor the implementation of the employee grievance policy and ensure its effectiveness.

**The Committee held two meetings in the year 2022 in the presence of its members, in which it exercised its assigned tasks.**

Name	First meeting 16/05/2022	Second meeting 05/10/2022	Attendance Rate
Dr. Waleed Kattan	√	√	100%
Mr. Mohamed Attar	√	√	100%
Dr. Khaled Makled	√	√	100%

**The interest of the members of the Board of Directors, their spouses and minor children in the company's shares**

The following list shows the change in share ownership for board members, their spouses, and minor children during the year 2022.

Name	Beginning of the year 2022		Net change (+ or -) During the year	End of year 2022	
	Number of shares	Percentage of ownership		Number of shares	Percentage of ownership
Hassan Saad Farhan al, Yamani	29837	0.2841619	-96.39%	1076	0.0034159
Waleed Jameel Muhammad Ali Qattan	1603	0.0152666	+200%	4809	0.0152667
Raed Mohammed Abdullah Kati	132	0.0012571	-24.24%	100	0.0003175
Mohammed Abdulrahman Saleh Attar	6759	0.0643714	+200%	20277	0.0643714
Khalid Bin Waheeb Muhammad Makled	25	0.0002380	-48%	13	0.0000413

- \* There is currently no interest of senior executives and their spouses and minor children in the shares or debt instruments of the company.
- \* There are no arrangements or agreements whereby a member of the Board of Directors or a senior executive of the company waives any salary or compensation.
- \* The Audit Committee did not recommend the need to appoint an internal auditor in the company.



- \* The Audit Committee did not recommend a conflict between it and the decisions of the Board of Directors or that the Board refused to take concerning the appointment of the company's auditor, his dismissal, determination of his fees and evaluation of his performance or the appointment of the internal auditor for lack of applicability of that.
- \* Details of the company's social contributions do not apply because the company did not make a social contribution for this year.

**Details of policies related to the remuneration of board members, committee members and senior executives and the mechanisms for determining them:**

1. The remuneration of the members of the Board of Directors shall consist of a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits, and two or more of these benefits may be combined.
2. In determining and disbursing the remuneration received by each of its members, the Board of Directors shall take into account the relevant provisions contained in the Companies Law, the Corporate Governance Regulations and the following criteria:
  - The remuneration should be based on the recommendation of the Nomination and Remuneration Committee.
  - The remuneration should be commensurate with the company's activity and the skill necessary to manage it.
  - The sector in which the company operates, its size and the experience of the members of the board of directors are taken into account.
  - The remuneration shall be reasonably sufficient to attract, motivate and retain board members with appropriate competence and experience.
3. The members of the Board of Directors may not vote on the item of remuneration of the members of the Board of Directors at the General Assembly meeting.
4. A member of the Board of Directors may obtain remuneration for his membership in the Audit Committee formed by the General Assembly or for executive or technical work or positions or consulting management under an additional professional license assigned to him in the Company, in addition to the remuneration that he may receive as a member of the Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Company's Articles of Association.
5. The remuneration of the members of the Board of Directors may vary in amount to reflect the extent of the member's experience, terms of reference, tasks entrusted to him, his independence, the number of meetings attended and other considerations.
6. The remuneration of the members of the Board of Directors for the previous years is calculated on the allowance of attending the meetings of the Board of Directors at the rate of three

thousand riyals for each meeting of the Board and the committees of the Board. The Board of Directors approved the recommendation of the Remuneration and Nomination Committee to award remuneration to the members of the Board of Directors in a total amount of SAR 5,4,000,000 for the year 2022.

7. The remuneration of the CEO shall be determined in accordance with the contract concluded with him, in addition to his remuneration as a member of the Board of Directors in accordance with the decision to recommend remuneration, and the remuneration of the Chief Financial Officer and senior executives shall be determined according to what is determined by the senior management after the recommendation from the Nomination and Remuneration Committee, and shown below what the CEO and senior executives receive during the year 2022.
8. The Nomination and Remuneration Committee shall supervise the implementation of the remuneration policy for employees and senior executives in light of the plans, programs and guidelines approved by the Board of Directors.

**Senior Executive Remunerations:**

Total	Total remuneration of executives for the Board if any	End of Service Gratuity	Bonuses Change						Fixed Bonuses				Senior Executive Positions
			Total	Shares Awarded (Value to be entered)	Preparatory plans (long term)	Preparatory plans (short term)	Earnings	Periodic bonuses	Total	Other Benefits	Allowances	Salaries	
3,323,335		236,250							3,087,085		252,085	2,835,000	Chief Executive Officer
413,331		30,000							383,331		23,331	360,000	Chief Financial Officer
283,032		10,658							272,374		16,576	255,798	HR Manager
69,825		12,825							57,000		5,700	51,300	Head of Accounts
280,200		20,250							259,950		15,750	244,200	CEO Assistant

**Remuneration of the members of the Board of Directors:**

Expense allowance	Total	End of Service Benefits	Variable Rewards						Fixed Rewards							
			Total	Granted shares (value to be entered)	Long-term incentive plans	Short-term incentive plans	Periodic bonuses	Percentage of profits	Total	Remuneration of the Chairman of the Board or the Managing Director or the Secretary if he is a member.	Efficient technical, administrative, and consulting work	Other Benefits	Total allowance for attending committee meetings.	Allowance for attending Co	A sum of money	
First: Independent Members																
									318,000		300,000		18,000			Mohammed Abdulrahman Attar
									168,000		150,000		18,000			Dr. Khalid bin Waheeb Mohammed
									486,000		450,000		36,000			Total
Second: Non-Executive Members																
									318,000		300,000		18,000			Waleed Jameel Muhammad Qattan
									318,000		300,000		18,000			Raed Mohammed Abdullah Kati
									636,000		600,000		36,000			Total
Third: Executive Members																
									8,668,000		8,650,000		18,000			Engineer Hassan Al-Yamani
									8,668,000		8,650,000		18,000			Total

**Remuneration of Committee Members**

Total	Alternate Meetings	Fixed remuneration (excluding attendance allowance)	
<b>Audit Committee Members</b>			
15,000	15,000		Dr. Khalid bin Waheeb Mohammed Makled
15,000	15,000		Raed Mohammed Abdullah Kati
115,000	15,000	100,000	Ahmed Tariq Murad
<b>145,000</b>	<b>45,000</b>	<b>100,000</b>	<b>Total</b>
<b>Remuneration and Nomination Committee Members</b>			
6,000	6,000		Dr. Khalid bin Waheeb Mohammed Makled
6,000	6,000		Raed Mohammed Abdullah Kati
6,000	6,000		Waleed Jameel Muhammad Qattan
<b>18,000</b>	<b>18,000</b>		<b>Total</b>

**Governance Regulations:**

The Board of Directors has set governance rules for the company that do not conflict with the mandatory provisions contained in the corporate governance regulations, with a commitment to monitor their application, verify their effectiveness and amend them when needed, and for this purpose he shall do the following:

- \* Verify the company's compliance with these rules.
- \* Review and update rules in accordance with regulatory requirements and best practices.
- \* Review and develop codes of conduct that represent the company's values, etc. Internal Policies and Procedures to meet the needs of the company and consistent with best practices.
- \* Always inform the members of the Board of Directors of developments in the field of corporate governance and best practices, Or delegate this to the Audit Committee or any other committee or department.

The company is committed to establishing a good governance policy that provides a strong base for an effective relationship between the company, its board of directors, shareholders, and other relevant parties. The general framework of this policy works on the fair treatment of all shareholders, and it recognizes the inalienable legal rights of all shareholders regardless of their contributions, in addition to that the general framework of the company's governance policy works

to provide accurate and timely information on all material matters related to the company, as well as to establish frameworks for accountability to the company and shareholders.

This policy provides and stipulates the base of policies and practices for corporate governance that should be implemented and followed in the company, and the Board of Directors and its members, individually or collectively, must implement them optimally and as they should and the policy is approved by the Board of Directors, and the Board of Directors must review on an annual basis the extent of compliance with the policy and take all decisions that will ensure compliance with good governance practices.

The Board of Directors and the executive management of the company seek to be guided by the best principles and practices that enhance governance, and the company makes every effort to consolidate the principles of governance, which is a necessary element to help in the management of sound business and ensure the practice of the best governance policies.

The company also seeks to implement a strong and effective governance system, by consolidating the roles of the company's shareholders, the board of directors, the chairman and vice chairman, the company's CEO, the committees emanating from the board of directors, external auditors, internal auditors, and the company's executive management.

## **A. Shareholders**

The governance system seeks to protect the rights of shareholders in a way that ensures justice and equality between them and protects their interests by communicating with them through the meetings of shareholders' assemblies and through direct communication, and the Board of Directors must exert maximum effort to communicate with shareholders and clarify everything related to shareholders and answer their inquiries and providing them with all reports that make the matter clear and understandable to them, and shareholders have the right to communicate with the external auditor during assemblies and others.

The company is also keen on all shareholders to exercise their statutory rights to obtain a share of the profits to be distributed and a share of the company's assets in the event of liquidation, attend assemblies, participate in deliberations, vote on decisions, dispose of shares, monitor the work of the board, file a liability lawsuit against board members, inquire and as a request for information in a manner that does not harm the company and does not conflict with the capital market system and its regulations and in line with the provisions of the company's governance regulations.

## **B- Board of Directors**

The Board assumes all responsibilities related to the company and ensures the interests of shareholders, creditors, employees and stakeholders, and the Board ensures the management of the company and the conduct of its business wisely within the framework of the laws and

regulations in force and the company's own policies, and the Board of Directors determines the strategic objectives of the company and the executive management oversees the implementation of the policies set and the daily operations of the company, and the Board of Directors ensure that the company's internal control systems are effective and that the company's activities are in line with the strategy approved by the Board as stipulated in the two laws and regulations in force.

The company must prepare and update the company's governance policies and standards and implement them in a way that leads to supporting and achieving its goals and objectives, and the most important of those goals is to provide the best services to shareholders and customers, taking into account compliance with the laws, regulations and regulations set.

The company has provided the members of the Board of Directors and non-executive members in particular and the company's committees with all the necessary information, data, documents and records, which were clear, correct, non-misleading and timely so that the members can perform their duties and tasks, as they have been trained and prepared to hold the responsibility and identify the progress of the company's business and activities and everything that includes the company's strategy, financial and operational aspects, the obligations of the board members, the tasks of its committees and their terms of reference, as well as the discussions in the general assemblies and suggestions. Shareholders and minutes of the General Assembly held in the fiscal year.

The company adheres to most of the governance articles that have been developed in line with and in accordance with the corporate governance regulations issued by the Capital Market Authority, such as the applicable regulations and regulations that include the policies, standards and procedures for board membership, mechanisms for compensating stakeholders, mechanisms for complaints and disputes that arise between the company and stakeholders, the issuance by the General Assembly of the rules for selecting members of the Nomination and Remuneration Committee and the Audit Committee, the term of membership of these committees, the method of work, what falls within the scope of work, and proof The general rights of shareholders, facilitating the exercise of shareholders' rights and access to information, the right to monitor the work of the Board and file a liability lawsuit against the members of the Board, their rights related to the meeting of the General Assemblies, voting rights, the rights of shareholders in dividends, disclosure policies and procedures in the report of the Board of Directors, and everything related to the rights contained in the shareholders and the General Assembly in Article III of the Corporate Governance Regulations. The bylaws were approved by the company's general assembly in its meeting on 14/06/2010, and the company reviews the bylaws and always updated to comply with the Corporate Governance Regulations of the Capital Market Authority, where the last update of the Regulations of the Board was on 07/02/2018.

### **Meetings of the General Assembly of Shareholders:**

The general assembly of the company meets annually to approve its agenda items including the annual report and annual financial statements, so that the company takes into account the adoption of all available means to facilitate the task of shareholders to take their rights stipulated in Articles 3, 4, 5, 6, 7 of the Corporate Governance Regulations, the Company's Articles of Association, the Company's Governance Regulations and all related regulations, where the Extraordinary General Assembly of Shareholders was held during the year 2022 meeting The Ordinary General Assembly also held a meeting, and the details of the attendance of its members of these meetings were as follows:

<b>Attendance of members of the Board of Directors of the Group</b>		
	<b>Extraordinary General Assembly on 17/05/2022</b>	<b>Ordinary General Assembly on 22/06/2022</b>
1-	Mr. Mohammed Abdulrahman Saleh Attar	Mr. Mohammed Abdulrahman Saleh Attar
2-	Eng. Hassan Saad Al-Yamani	Eng. Hassan Saad Al-Yamani
3-	Mr. Raed Mohammed Abdullah Kati	Mr. Raed Mohammed Abdullah Kati
4 -	Dr. Walid Jamil Mohammad Ali Qatan	Dr. Waleed Jamil Qattan
5-	Dr. Khalid bin Waheeb Makled	Dr. Khalid bin Waheeb Makled

The shareholders had the opportunity to exercise their rights stipulated in the organizing regulations and mentioned above with ease, obtain the required information, discuss the annual report and communicate with them, and the opportunity was also provided to vote on the items of the meeting by electronic voting from the distance, and the company applied the provisions contained in the regulations.

### **Measures taken by the Board to inform its members, especially non-executives, of the shareholders' proposals and observations regarding the Company and its performance:**

The Company's Articles of Association in the meetings of the General Assembly of Shareholders shall ensure that they participate in deliberations and discussions freely in a manner that does not harm the interests of the Company, as stated in the Board Work Regulations, the Disclosure Regulations, and the Procedures Regulations.

**Company Governance** The members of the Board of Directors must attend the meetings of the General Assembly, especially the chairmen and members of the Board committees, to answer shareholders' inquiries and observations and exchange ideas and opinions with them regarding the company and receive their proposals to work out if it is consistent with the directions and plans of the company. The Board also discusses what was stated in the general assemblies of the company after its end and in its subsequent sessions, and enlightens the members of all the shareholders' proposals, opinions, and requirements, implements what is possible of these proposals and communicates with shareholders in this regard. The company also receives suggestions and

comments of its shareholders by e-mail, as well as shareholder complaints and responses to them by communicating with the Complaints Department of the Capital Market Authority.

**The means relied upon by the Board of Directors in evaluating its performance and the performance of its committees, members, and executive management:**

The Board of Directors' work regulations, the Board regulations, and the work regulations of the committees of the Board have included work procedures to help evaluate the performance of the Board and its committees periodically and continuously, and the Nomination and Remuneration Committee evaluates the performance of the Board and Executive Management committees and works to address weaknesses and enhance strengths. The Board did not appoint an external body to evaluate the performance of its members.

**Waiver of Bonuses:**

None of the directors or senior executives has waived annual bonuses for the financial year ended 31 December 2022.

**Waiver of Profits:**

The company did not distribute any dividends to its shareholders for the financial year ended 31 December 2022.

**Contracts in which members of the Board of Directors and senior executives have an interest:**

The company has not entered into any contracts with any member of its board of directors or one of its senior executives and there is no personal interest in either one of them or any person related to them.

**Competing business of the company or its branches of activity:**

There is no competing business of the company or any of the branches of the activity it carries out, which is or has been practiced by any member of the Board of Directors.

**A statement of the value of any investments or reserves made for the benefit of the company's employees:**



There are no investments or reserves developed for the benefit of the company's employees except for the end of service gratuity.

**What has been applied from the provisions of the Corporate Governance Regulations, what has not been applied and the reasons for that:**

The company applies all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, except for some guiding provisions:

Article/Paragraph Number	Text of the article/paragraph	Reasons for non-application
ArticleThirty Nine	The Board of Directors, upon the proposal of the Nomination Committee, shall develop the necessary mechanisms to evaluate the performance of the Board, its members, committees and executive management annually, through appropriate performance indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems, and others, provided that the strengths and weaknesses are identified and proposed to address them in accordance with the interest of the company.	The Board follows some methods and methods through it and its committees to evaluate and measure performance and through internal control systems and the Board takes into account the observations in this regard, noting that work is underway to apply the article as stated in the Governance Regulations
Evaluation	e) The Board of Directors shall make the necessary arrangements to obtain an evaluation of a competent external party for its performance every three years.	Guiding material
Evaluation	f) The non-executive members of the Board of Directors shall periodically evaluate the performance of the Chairman of the Board after taking the views of the executive members - without the Chairman of the Board attending the discussion designated for this purpose, provided that the strengths and weaknesses are identified and proposed to address them in accordance with the interest of the company.	Guiding material
Article 66	A committee called the Risk Management Committee shall be formed by a decision of the Board of Directors of the Company, the Chairman and the majority of its members shall be non-executive members of the Board of Directors, and its members shall have an appropriate level of knowledge of risk management and financial affairs.	The company intends to work on the application of this article after the increase in the members of the Board due to the limited number of current members.
Article Eighty-Four	The Ordinary General Assembly, upon the proposal of the Board of Directors, shall establish a policy that ensures a balance between its objectives and the objectives that society aspires to achieve in order to develop the social and economic conditions of the community.	Work is underway to implement this article
ArticleEighty-Two	1. Forming committees or holding specialized workshops to listen to the opinions of employees in the company and discuss them in the issues and topics subject to important decisions.	Guiding material

	2. Programs to grant employees shares in the company or a share of the profits it generates and retirement programs and the establishment of an independent fund to spend on those programs.	Guiding material
	3. Establishing social institutions for employees of the company	Guiding material
ArticleNinety-Two	In the event that the Board of Directors forms a committee specialized in corporate governance, it shall delegate to it the competencies prescribed under Article Ninety-Four of these Bylaws, and this committee shall follow up on any topics related to the applications of governance and provide the Board of Directors at least annually with the reports and recommendations it reaches.	Guiding material

### **Restrictions and Penalties:**

There are no penalties, penalties or other precautionary restrictions imposed on the Company by the Capital Market Authority or any other supervisory, regulatory, or judicial authority for the fiscal year 2022.

### **The company's ability to continue its activities:**

The Board of Directors makes great efforts in order to lay strong foundations to support the company in carrying out its business, developing its resources and expanding its activities, and accordingly attention is paid to the control system, ensuring the tasks, responsibilities and decisions, achieving the maximum degree of control and independence of internal and external audit, ensuring that they are dealt with and providing continuous evaluation to ensure the safety and protection of the company's assets. Accordingly, the Board of Directors confirms according to the information available to it that it has no doubt about the company's ability to continue its activity, God willing.

### **Shareholders' Rights:**

Some articles of the company's articles of association stipulate the right of shareholders to participate in attending general assemblies and how to participate in decision-making, as well as the right to dispose of shares, the right to obtain a percentage in the prescribed profits, the priority of redeeming the value of shares in the capital upon liquidation and obtaining a certain percentage of the liquidation result. The articles of association and internal regulations of the company also included the right to monitor the work of the board of directors, inquire and request information in a manner that does not harm the interests of the company.

**Risk Management:**

- 1- Develop a comprehensive risk management strategy and policies commensurate with the nature and size of the company's activities and verify the implementation of this policy, review and update it based on the internal and external variables of the company.
- 2- Determine and maintain an acceptable level of risk to which the company may be exposed and ensure that the company does not exceed it.
- 3- Verifying the feasibility of the company's continuation and continuing its activities successfully while identifying the risks that threaten its continuation.
- 4- Supervising the company's risk management system and evaluating the effectiveness of systems and mechanisms for identifying, measuring and following up the risks to which the company may be exposed in order to identify its shortcomings.
- 5- Re-evaluate the company's ability to withstand risks and its exposure to them periodically through stress tests as such.
- 6- Prepare detailed reports on risk exposure and proposed steps to manage these risks and submit them to the Board of Directors
- 7- Provide recommendations to the Board on issues related to risk management.
- 8- Ensure the availability of adequate resources and risk management systems.
- 9- Review the risk management structure and make recommendations thereon before being approved by the Board of Directors.
- 10- Verify the independence of risk management staff from activities that may arise in the company's exposure to risks.
- 11- Ensure that the risk management understands the risks surrounding the company and work to increase awareness of the risk culture.
- 12- Review the issues raised by the Audit Committee that may affect the company's risk management.

**Risk Committee:**

The Risk Committee aims to establish and supervise a framework for identifying, managing and reviewing risks, including agreeing on the size and tolerance of risks, identifying the main risks arising within the scope of the company's business, ensuring the implementation of appropriate systems to manage those risks, contributing to the review and assessment of the strategic risks detailed above, and determining policies and procedures on all matters that may arise from significant financial risks for the company or other risks, while clarifying the company's strategy and

its ability to proactively identify and recognize risks. Which you may face when achieving its goals through strategies and action plans.

**Statement of risks faced by the company and policies for its control:**

Within the framework of reducing and confronting the risks it faces, the company develops policies that reduce those risks by studying the impact of risks on its activities and developing the necessary plans to avoid those risks and reduce the possible negative effects of them and uses all possible means to avoid the effects of risks according to modern systems and technology. The most important risks facing the company are:

- Price fluctuations of its sister companies' base materials
- Real estate market price fluctuation and competition

The company works to ensure the integrity of financial and accounting systems and the effectiveness of internal control procedures, as well as improve and improve its products to be able to compete.

**Board of Directors Acknowledgments:**

**The Board of Directors hereby recognizes:**

- \* The records of accounts are properly prepared.
- \* The internal control system is properly prepared and implemented effectively.
- \* There is little doubt about the exporter's ability to continue his activity.
- \* The company does not have any information related to any contracts to which the company is a party and in which there is or has been a direct or indirect interest of one of the company's board members, the chief executive, the financial manager, or any person related to any of them. There are also no investments or other reserves created for the benefit of the company's employees.
- \* No member of the Board has participated in any business that would compete with the Company or trade in any branch of the activities carried out by the Company.
- \* The company did not provide a cash loan of any kind and did not guarantee any loan with third parties to any of the members of the Board of Directors.
- \* The company did not receive from the chartered accountant a request to convene the general assembly during the ended fiscal year and it was not convened.
- \* The company has not received from shareholders who own 5% of the capital or more a request to convene the general assembly during the ended fiscal year and it has not been convened.

**The results of the annual review of the effectiveness of internal control procedures and the company's ability to continue its activity:**

The executive management of the company has developed the internal regulations that govern the administrative, technical and financial aspects, and the internal audit department and the regular control department under the direct supervision of the audit committee ensure the effectiveness of the internal audit and the company's commitment to the regulatory requirements, and they submit periodic reports to the audit committee, which is reviewed and provided any assistance in the event of difficulties they may face in carrying out their tasks. The regulatory supervision also provided its assurances on the application of the new instructions issued by the Saudi Arabian Monetary Agency. The company's internal control system has been prepared on a sound basis and is implemented efficiently and effectively.

**Auditors:**

Approved by the Ordinary General Assembly Number (42) Held on 23/11/1443H, I agree 22/06/2022 on the appointment of gentlemen Dr. Mohammed Al-Omari & Partners Company BDO as Chartered Auditors to examine and review and audit Financial Statements for the second, third, fourth and annual quarters of FY2022 and the first quarter of 2023.

**The company's dividend policy:**

In accordance with Article (47) of the Company's Articles of Association, the annual net profits shall be distributed after deducting all general expenses and other costs, including Zakat imposed by Sharia, as follows:

1. 10% of the net profits shall be set aside for the formation of a statutory reserve and the Ordinary General Assembly may suspend this retainer when the said reserve reaches half of the capital.
2. From the remainder, a down payment equivalent to 5% of the paid-up capital shall be distributed to the shareholders.
3. After the advance of the sum of money not exceeding 10% of the remainder, it shall be allocated to the remuneration of the Board of Directors, and the remainder shall then be distributed to the shareholders as an additional share in the profits.

**Agenda of the Annual General Assembly for the year 2022:**

**Based on the** foregoing, the Council hopes that you will discuss what is contained in the agenda and vote on the items included therein, as follows:

1. Reviewing and discussing the Board of Directors' report for the fiscal year ending on 31/12/2022.
2. Reviewing and discussing the consolidated financial statements for the fiscal year ending on 31/12/2022.
3. Voting on the auditor's report for the fiscal year ending on 31/12/2022.
4. Voting on the discharge of the members of the Board of Directors from liability for the fiscal year ending on 31/12/2022.
5. Voting on the appointment of the Company's auditor from among the candidates nominated by the Audit Committee, in order to examine, review and audit the financial statements, quarterly statements and balance sheet for the current year 2023 and the first quarter of 2024 and determine his fees.

In conclusion, the Board of Directors of Enaam International Holding Group is pleased on this occasion to extend its thanks and gratitude to the Capital Market Authority and the Saudi Stock Exchange (Tadawul), the Ministry of Commerce and Investment and the relevant government departments for their permanent cooperation, and to the honorable shareholders for their precious trust, as well as the members of the Board of Directors, the executive management and all employees for the continuous support, efforts, dedication and sincerity in work.

Peace, mercy and blessings of God ....

**Board of Directors**