



CENOMI CENTERS **BOARD OF DIRECTORS ANNUAL REPORT** **SHORT FINANCIAL YEAR 2022**

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COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

	2022*	2021**
Revenue	SAR 1.69bn	SAR 1.52bn
Gross profit	SAR 1.41bn	SAR 1.23bn
Net profit	SAR 837.0m	SAR 578.4m
EBITDA	SAR 1.08bn	SAR 1.00bn

Strategic highlights

	2022*	2021
Number of shopping centers / complexes	21	21
Gross leasable area (GLA)	1.3 million m ²	1.4 million m ²
Number of leased units	4,907	4,668
Number of visitors	84.2 million	60.8 million
Number of brands	+1,500	+1,100
Number of employees	804	725
Saudization	66,6%	69,5%

Short 2022 financial year – 9 months from 1 April to 31 December 2022

** Figures are for the equivalent 9-month period in the 2021 financial year to allow for accurate comparison.

ABOUT CENOMI CENTERS

Cenomi Centers is the leading owner and operator of lifestyle shopping malls in Saudi Arabia. The company owns 21 commercial centers and complexes that are strategically located in 10 of the largest cities in the Kingdom of Saudi Arabia. These malls have a total Gross Leasable Area (GLA) of 1.3 million sqm and cover over 60% of the Kingdom's population. Cenomi Centers malls are the preferred destination for millions of shoppers every year, offering a range of integrated leisure, shopping, entertainment, and dining options.

Cenomi Centers first began in 2005, as Arabian Centres Company, which was established as a Limited Liability Company with the aim of owning, developing, and operating contemporary lifestyle and shopping centers in Saudi Arabia. In December 2022, the company changed its name to Cenomi Centers. The company is jointly owned by FAS Real Estate Co. LLC (42%) as the major shareholder, along with others as shown below.

Ownership

Shareholders as per Share Register	%
FAS Real Estate Company	44.55%
Fawaz Al Hokair	8.61%
Salman Al Hokair	8.00%
Abdulmajid Al Hokair	8.00%
Remaining Shareholders	33.84%

The Cenomi name

The name Cenomi is derived from 'Ceno' which means 'new' in Greek, and 'Mi' referencing 'me'. Cenomi is a brand that puts the customer at its core and is dedicated to delivering a new era of retail and lifestyle experiences to the Kingdom of Saudi Arabia and beyond.

Cenomi Centers at a glance

21 World-Class Lifestyle Destinations	10 cities	1.3 million m ² GLA
+4,900 stores	84 million visitors	8 new malls in the pipeline

Vision and Mission

Our Vision

To be the dominant and most admired owner, developer and operator of world-class retail and lifestyle destinations in Saudi Arabia.

Our Mission

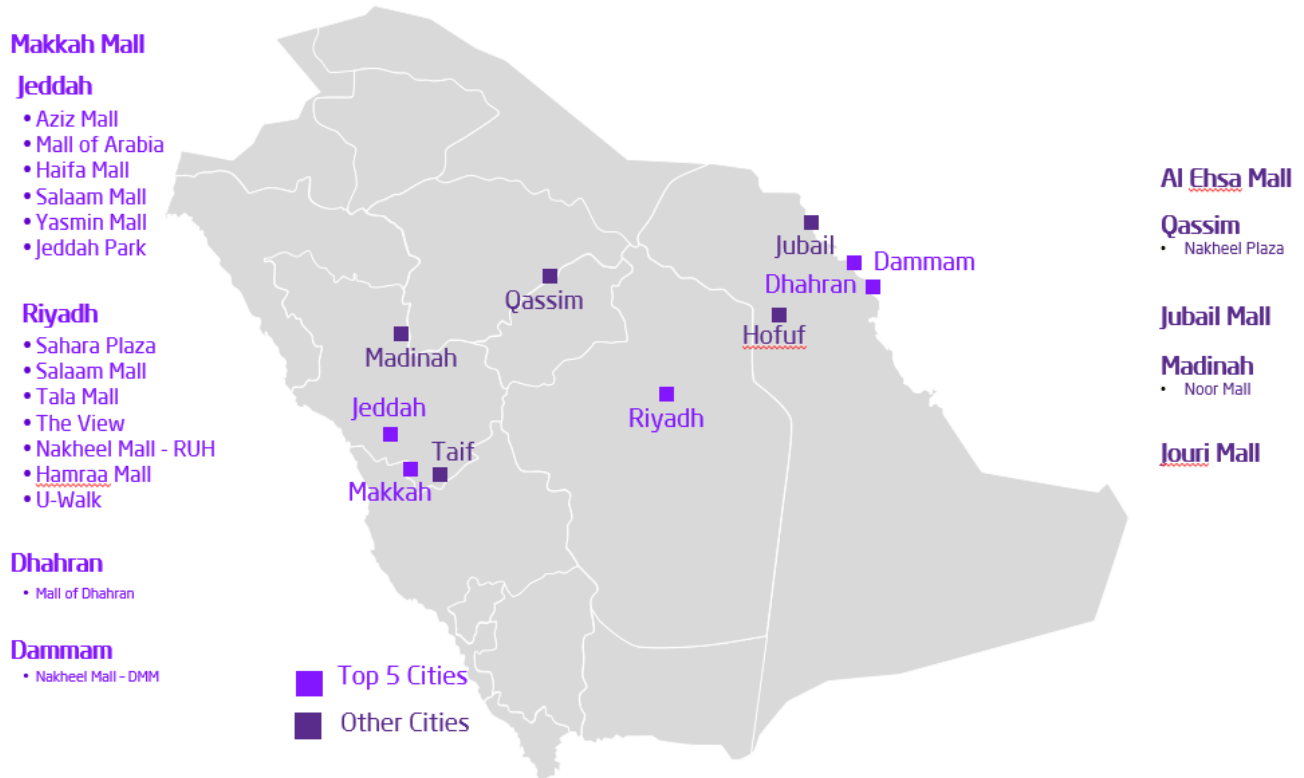
To provide a fusion of shared discovery, high design, sophisticated environments, retail, dining, entertainment, and social interaction.

Where we operate

Cenomi Centers' portfolio comprises 21 shopping centers, which are categorized as Super-regional, Regional, and Community centers. Each development has a unique position in terms of location, size, design, and retail offering, ensuring a diverse retail unit mix that meets the needs of the market. Out of these 21 centers, 10 are on leased land, 10 on land owned directly by the company, and one operates under a management and operating agreement.

Largest Retail Platform in Saudi Arabia, with 21 Centers Across Key Metropolitan Areas

Diversified portfolio strategically positioned in large catchment areas



OUR PORTFOLIO

The below table details our current 21 centers:

Region	City	Shopping Centre	Type	Year Opened	GLA 000'SQM (FY2022)	Occupancy (FY2022)	% Of Rev. (FY2022)	Lease Expiry
Central	Riyadh	Nakheel Mall	Super Regional	2014	77	97.1%	11.9%	2034
		Hamra Mall	Regional	2016	56	96.1%	5.1%	Freehold
		Salaam Mall	Regional	2005	51	96.3%	3.0%	Freehold
		U-Walk	Regional	2019	55	95.4%	4.0%	2046
		The View	Regional	2021	56	89.9%	4.1%	Freehold
		Tala Mall	Community	2014	21	94.7%	1.4%	2029
		Sahara Plaza	Community	2002	15	100.0%	0.1%	Freehold
	Buraidah	Nakheel Plaza	Community	2004	40	97.9%	2.1%	2029
Western	Jeddah	Salam Mall	Super Regional	2012	126	91.7%	6.3%	2032
		Mall of Arabia	Super Regional	2008	112	98.6%	11.1%	Freehold
		Jeddah Park	Super Regional	2021	122	68.3%	0.0%	M&O
		Aziz Mall	Regional	2005	72	90.8%	4.7%	2046
		Yasmin Mall	Regional	2016	61	96.7%	5.7%	2034
		Haifa Mall	Community	2011	34	84.3%	1.6%	2032
	Makkah	Makkah Mall	Regional	2011	37	98.8%	6.0%	Freehold
	Taif	Jouri Mall	Regional	2015	48	98.3%	4.7%	2035
	Madinah	Noor Mall	Regional	2008	68	94.5%	5.5%	Freehold
Eastern	Dhahran	Mall of Dharan	Super Regional	2005	158	97.1%	13.8%	2025
	Dammam	Nakheel Mall	Regional	2019	61	98.2%	6.6%	Freehold
	Hufof	Ahsa Mall	Regional	2010	46	89.0%	1.7%	Freehold
	Jubail	Jubail Mall	Community	2015	22	79.9%	0.7%	Freehold
Total/Average LFL Occupancy					1,338	94.2%	100.0	-

STRATEGIC REVIEW

CHAIRMAN'S STATEMENT

This year has been focused on growth. Across Saudi Arabia, our national drive to deliver Vision 2030 has seen a significant ramp up of activity across the major economic sectors – and this has been reflected in our own fortunes, most notably for Cenomi Centers: retail, tourism and real estate development.

The company has delivered strong results with net SAR1.7 billion revenue for 2022, a 11.1% year-on-year increase, with EDITDA of SAR 1.1 billion, a 8.2% increase year-on-year. We have also initiated a number of key programs to support profitability, including the non-core land sale program, which, with a book value of SAR 2 billion, has already brought success, with two pieces of land sold for a total value of SAR 875 million in 2022. As the impact of the pandemic eased, we saw record occupancy rates and tenancy renewals, as well as a return to pre-COVID-19 levels of footfall.

Saudi Arabia is one of the world's fastest growing economies. As a grass-roots company, with a portfolio of large-scale assets in 10 major cities across the country, Cenomi Centers is well-placed to participate in our national journey and support and drive real social and economic impact.

Central to our future prospects, our year was punctuated by two significant changes. Firstly, the appointment of our Chief Executive Officer – Alison Rehil-Erguven. Alison brings two decades of extensive commercial real estate and shopping center experience to the role and I look forward to seeing further positive impacts in 2023 and beyond.

The second purposeful change was the launch of our rebrand. In December, we became Cenomi, a full brand realignment away from the Fawaz Alhokair Group, further cementing our commitment to delivering best-in-class retail and lifestyle experiences through our immersive, next-generation shopping centers.

We are in a strong position to take advantage of the opportunities that will shape our future. Throughout 2022, we were nimble and agile, alert to the evolution of post-pandemic consumer behavior, and we remain confident physical retail will continue to be a dominant force in our business, with a strong focus on elevating in-mall and in-store experiences that deliver more personalized, long-lasting retail moments.

It is our physical stores that will inspire our customers and drive discovery and wonder in the region. We saw this in action in FY2022, showcasing how we are embracing the changing dynamics of the retail sector through our Jawharat flagship projects. Based in Riyadh, Jeddah and Al-Khobar, these new centers offer a fully immersive lifestyle experience with luxury retail, increased dining and entertainment options, and both in and outdoor spaces. As the largest retailer in Saudi Arabia, and the second largest in the MENA region, these are exactly the sorts of ambitious plans we will prioritize to reaffirm our position in the Kingdom's growth journey.

Thank you to my fellow Board Members for their continued commitment. To our shareholders for their ongoing belief in the Cenomi Centers' journey. To our customers, for their loyalty. And to our management team and all Cenomi Centers' employees for their dedication to the business and contribution to its continued success.

Fawaz Alhokair
Chairman

CEO'S MESSAGE

This year Cenomi Centers has been able to deliver strong revenues of SAR 1.69bn for the short nine-month 2022 financial year, as well as EBITDA of SAR 1.08bn. We achieved record levels of occupancy at 94.2% and delivered 90% occupancy for new assets within their first year of operation. Cenomi Centers onboarded 109 new brands during 2022 and is now home to more than 4,900 stores. We are also pleased to see footfall figures recover to pre-COVID-19 levels, while consumer spending continued to increase within the Kingdom.

Looking forward, we have a solid pipeline, with an ambitious SAR 5.3 billion CAPEX program to deliver seven new market-leading projects in the coming three years, making us the largest portfolio of any commercial real estate company in Saudi Arabia. We will become the owner, operator and developer of 29 centers and complexes across the Kingdom and see our gross leasable area (GLA) increase by approximately 50%.

Our 2023 strategy is driven across five key pillars:

- 1) Portfolio growth
- 2) Product excellence
- 3) Operational excellence
- 4) Organization enhancement
- 5) Sustainability leadership

In 2022, we also launched our inaugural ESG report, a cornerstone of our strategy for the years ahead that sets out our progress to date and, more importantly, the commitments we have made for the future. As one of Saudi Arabia's largest employers and developers, we understand our intrinsic responsibility to our people, our communities, and the country's sustainable future.

These commitments ensure that we are future-focused, always aligned, and fully accountable for our delivery. We believe that these areas of focus must be underpinned by our values, our ambitions of environmental, social, and governance (ESG) excellence, and our ability to hire, develop, and retain the very best talent in Saudi Arabia. Within this we are committed to encouraging and developing the next generation of female Saudi leaders. This is vital to our company's future growth and a cause I feel strongly about; I have pledged to personally ensure that at least 40 per cent of leadership roles in Cenomi Centers will be filled by women by 2025.

Finally, I feel privileged to have joined the company at such a monumental moment in our organization's history – the Cenomi rebrand. Our rebrand is pivotal. It brings clarity to our value proposition as a customer-first platform, creating spaces that allow our consumers to uncover, discover, share, and enjoy. It is also an impetus for our continued growth and momentum as we build the destinations of the future and a new era for Saudi retail and lifestyle sectors.

Alison Rehill-Erguven

CEO: Cenomi Centers

BUSINESS MODEL

A world-class mall operator

Cenomi Centers is known as the leading owner, developer, and operator of lifestyle shopping centers in Saudi Arabia. We launched our first location in 2002 at Sahara Plaza in Riyadh, and we have since expanded our portfolio to include 21 distinct properties in 10 cities throughout the Kingdom.

With a presence in each of the three main regions of Saudi Arabia (Western, Central, and Eastern), Cenomi Centers has established itself as the premier provider of organized retail space in the country. Our portfolio features some of the most iconic shopping and leisure locations, such as Mall of Arabia in Jeddah, Mall of Dhahran, and Nakheel Mall in Riyadh. Overall, we operate more than 1.3 million sqm of gross leasable area (GLA) covering over 60% of the Kingdom's population. Our centers welcomed over 84 million visitors in FY2022.

Thanks to our dominant position and competitive advantages, Cenomi Centers has become the go-to partner for local and international retail brands seeking to expand or deepen their presence in the Saudi market. Our centers are home to a wide array of leading brands, including Zara, Sephora, Massimo Dutti, Michael Kors, Hugo Boss, Marks & Spencer, Nike, Lefties, Lego, Starbucks, Gold's Gym, and numerous global F&B offerings. Tenants can take advantage of Cenomi Centers' unique ability to leverage our scale, deliver centers with unique and attractive building designs in central locations, provide access to targeted demographics, and offer superior levels of tenant and visitor service.

We are continually enhancing our offerings by introducing unique lifestyle concepts, optimized dining, entertainment and leisure options, and a steady rollout of cineplexes throughout our portfolio.

A synergistic Cenomi ecosystem

As a company within the Cenomi Group, Cenomi Centers benefits from synergies with other organizations that form part of that group. Cenomi Retail, a leading franchise retailer, leases almost 20% of the GLA in Cenomi Centers' 21 shopping centers, and also pre-leases space in new pipeline assets, which helps to attract other tenants and enhance footfall immediately on opening.

We also provide mutually beneficial food and beverage franchises and a partnership with Muvi Cinemas for integrated shopping, entertainment, and dining experiences.

The Cenomi Centers integrated omni-channel ecosystem blends engaging physical experiences with curated brands and the convenience of online channels delivering competitive advantage.

Leveraging an agile, asset-light business model

We pioneered an asset-light model of mall management and operation in KSA. At the close of the short 2022 financial year (9 months), ten of the centers in our portfolio were located on leased lands, ten were built on freehold lands, and one was managed under operational agreements.

The leasehold structure optimizes costs and mitigates risks, enhancing financial and operational flexibility. The model also enables us to optimize center size, which is why we have managed to achieve an average GLA of 52.8 thousand square meters. In addition to the locations managed under an operational agreement, we signed another agreement in 2023 to operate another property, Jubail Marina, on this basis. Under these agreements, Cenomi Centers leases, manages, operates, and maintains the properties in return for a percentage of annual net revenues.

STRATEGY

Cenomi Centers has established itself as the leading mall operator in the KSA and 2nd largest mall operator in MENA. These achievements have been driven by a number of key success factors, including our ability to be a first-mover and innovator in our markets, our proven speed of project development and execution, solid tenant relationships and high occupancy rates, and world-class brands that attract significant customer footfall.

Positioning ourselves for sustainable growth

While all these factors remain key to our continued success and growth, in recent years, the Kingdom of Saudi Arabia (KSA) has witnessed significant consumer developments, including the rise of a tech-savvy and young population, increasing disposable income, and a growing middle class. All of which are driving meaningful shifts in the consumer landscape in KSA, not least of which are:

- the growth of a more sophisticated customer base that is increasingly discerning in their purchasing decisions; and
- shifting market demand from pure retail to more differentiated, lifestyle and experience-based formats, with accelerating spend on F&B.

Against this shifting backdrop, we are adapting our strategic focus to meet the evolving needs and preferences of consumers in KSA and globally. Our aim is to remain at the forefront of these consumer developments, leveraging our expertise and resources to create value for our stakeholders and contribute to the growth and prosperity of KSA. In fact, Cenomi Centers has an ambitious goal to become the largest and most admired developer and operator of lifestyle destinations in the MENA region. To achieve this, we have a clear strategic growth path centered around five key priorities, each with clearly defined underlying objectives.



The first strategic priority is **portfolio growth**. To strengthen our leadership in KSA, we plan to steadily expand into new formats and cities. We also aim to become Vision 2030's Consumer 'Partner of Choice' by providing exceptional experiences to our customers. The third objective under this strategic pillar is to optimize our existing portfolio. We will continue to introduce innovative lifestyle and F&B destinations at existing and pipeline centers, targeting a greater focus on entertainment, F&B, gyms, spas, clinics, and other service providers. We have a proven track record in introducing new concepts to the Saudi market and plan to replicate the open-air boulevard concept with pipeline projects in Jeddah and Madinah. We also recognize the opportunities in Saudi Arabia's growing leisure and entertainment industry and we are working to position ourself as the strategic partner of choice for retail tenants expanding their footprints in the Kingdom. We aim to increase footfall and ensure sustainable growth by hosting recreational events, locating pipeline assets near entertainment centers, and rolling out cinemas across our portfolio.

The second strategic priority is **product excellence**. We plan to drive a shift towards higher quality and more differentiated center formats that align with changing consumer trends. Our commitment is to deliver the highest-value customer experience through 100% customer-centric design and services. To this end, we will continue to improve efficiencies and yields from our existing developments through active asset management. This includes optimizing GLA occupancy and efficiency rates and accelerating the sale of unoccupied GLA. We target a long-term GLA occupancy range of 94% to 95% to optimize our cost base and meet high shopping center management standards. We also

continue our work to increase non-GLA revenues and negotiate favorable terms with third-party service providers to curb operating cost growth. These efforts are essential to turning around underperforming assets, such as Haifa, Jubail, Al Ahsa, and Salam Malls, by diversifying the brand portfolio and tenant mix.

The third strategic priority is **operational excellence**. We plan to enhance, modernize, and automate our mall operations to achieve higher productivity and provide a consistently outstanding customer experience. By leveraging digitalization and data analytics, we aim to drive up both customer and shareholder value.

The fourth strategic priority is **organizational enhancement**. We plan to drive organizational change to promote and master performance excellence, accountability, and collaboration for maximum impact. We will continue to build our world-class team and capabilities to enable sustainable growth and achieve our superior quality ambition.

The fifth priority is **sustainability leadership**. We are establishing an ambitious sustainability agenda and roadmap to drive significant impact for all our stakeholders and unlock even more shareholder value.

An established expansion pipelines

The continued expansion of the Cenomi Centers portfolio contributes to our retail presence and provides access to previously untapped demographic areas. We rely on insights gleaned from our database on urban areas in the Kingdom to make expansion decisions and strengthen our position in the Saudi retail market. Since our launch (as Arabian Centers), we have delivered more than one new center per year, leveraging our expertise in shopping center development and our strategic relationship with our construction partner, Lynx.

Our management team is dedicated to achieving maximum efficiency in all aspects of the company's capital expenditure program. To maintain financial flexibility for long-term growth, we prioritize a strong liquidity position and phase our capital expenditures to reflect changing market dynamics. Additionally, we aim to expand our portfolio through innovative management and operational

agreements that generate revenue from managing centers under external landlords' control. Such agreements enable us to expand rapidly in an asset-light manner, increasing our financial flexibility as we continue to grow.

CFO'S REVIEW

I am pleased to report that our solid financial performance has continued in the short 2022 financial year, which ran from April 2022 to end-December 2022. This positive performance was driven by the normalization of our business post-COVID-19. We have successfully navigated the challenges of operating shopping centers in a rising interest rate environment, while maintaining a healthy debt maturity profile and a strong and liquid balance sheet.

Financial performance in brief

In the short financial year under review, we recorded revenues of SAR 1.69 billion, up 11.1% YoY. Despite higher financial charges, we achieved SAR 1.13 billion in operating profit and our gross profit expanded to a record SAR 1.41 billion, up 14.7% YoY. The gross profit margin reached 83.6% due to successful cost optimization measures. Net profit for the period increased by 44.7% YoY to SAR 837.0 million.

Our adoption of the Fair Value Model has further strengthened our financial position, resulting in a significant boost to our total assets and equity. The execution of the non-core asset land bank sale program has also been successful, with two pieces of land sold during the period and a total amount generated from land sales to date of approximately SAR 875 million. The second sale will be reflected in Cenomi Centers' accounts for the first quarter 2023 (ending 31 March 2023), and it is currently shown on our books as "assets for sale".

We continue to maintain a healthy debt maturity profile, and our balance sheet remains strong and liquid, with unsecured debt representing 61% of our total debt, enabling us to enhance our financing options and optimize our capital structure. Our cost of debt has gone up in the period, in line with SIBOR, but it remains cushioned by the fixed coupon part of the Sukuk.

Putting COVID-19 behind us

While the negative impacts of COVID-19 were significant, we have successfully navigated our way through the worst of it, and we are now in a strong position to move forward. We are already seeing the positive impact of our efforts, with footfall rebounding strongly to 84 million in FY22, up by 39% year-on-year.

During the height of the pandemic, we provided our tenants with SAR 579 million in discounts to help alleviate the impact of COVID-19 on their businesses. This support helped to ensure that our tenants were able to weather the storm and emerge from the pandemic in a stronger position.

The impact on our cashflow was fully absorbed in FY20, but the impact on our profit and loss statement is scheduled to be recognized over the term of our tenants' lease contracts. However, approximately 87.6% of the SAR 579 million discounts have already been amortized as of the end of the short 2022 financial year.

Summary Financial Performance for the last financial five years

Summary Business Results for the last five financial years:

KPI	FY19*	FY20*	FY21*	FY22*	SFY22**
Revenues	2,176	2,197	1,856	2,037	1,688
Gross Profit	1,394	1,438	1,023	1,153	1,412
Operating Profit	1,177	1,133	817	818	1,130
Net Profit	804	643	487	434	837

* Financial Years from April 1st to March 31st – 12 Months Periods (before changing the fiscal year and adopting the Fair Value Model).

** Short Financial Year from April 1st to March 31st – 9 Months Period.

Summary Assets & Liabilities for the last five financial years:

KPI	FY19*	FY20*	FY21*	FY22*	SFY22**
Current assets	1,451	2,079	1,538	1,714	2,466
Non-current assets	11,915	15,882	16,117	16,567	23,411
Total Assets	13,366	17,961	17,655	18,281	25,877
Current liabilities	1,468	1,024	1,127	1,510	1,915
Non-current liabilities	6,833	10,953	10,476	10,990	9,893
Total equity	5,065	5,984	6,052	5,781	14,069
Total equity & liabilities	13,366	17,961	17,655	18,281	25,877

* Financial Years from April 1st to March 31st – 12 Months Periods (before changing the fiscal year and adopting the Fair Value Model).

** Short Financial Year from April 1st to March 31st – 9 Months Period.

We thank our shareholders for their continued support and trust in our business.

Mr. Walead Al Rebdi

Chief Financial Officer: Cenomi Centers

BUSINESS REVIEW

OPERATIONS

Our dedicated Operations Department manages the day-to-day operations of every shopping center in the Cenomi Centers' portfolio. Our main operational objective is to ensure the seamless functioning through effective coordination of all teams and parties, and immediately addressing and rectifying any issues that may arise. The operations function also oversees the implementation of marketing action plans, organizing events and activities within the shopping centers, managing specialty leasing and handling tenant onboarding and offboarding, as well as rental collections. The safety of all visitors and tenants is a top priority, and we ensure compliance with all health and safety regulations. Customer service is also a key priority and we strive to exceed the expectations of all our shopping center visitors. By fostering positive relationships with tenants and external stakeholders, such as local authorities, Cenomi Centers helps to promote and develop each shopping center in our portfolio.

The short 2022 financial year brought pleasing evidence that the effects of COVID-19 are now firmly behind us and our commitment to operational excellence is producing the desired result. Footfall across our portfolio rebounded strongly to 84 million, up by 39% year-on-year.

Leasing

We work tirelessly to maintain high occupancy rates and the highest lease quality standards, thereby underpinning our operations. We attract new tenants through rigorous marketing and promotion efforts, conduct regular property inspections, and respond quickly to tenant queries and requests. We also have a policy of continuously evaluating global best practices to identify optimal arrangements with third-party service providers and ensure budgetary compliance.

In the short 2022 financial year, we leveraged changing consumer behaviors and shifted our GLA mix to focus more on entertainment, F&B, and other experiences over retail. As a result, our GLA occupancy across our portfolio has grown substantially, reaching record highs and surpassing pre-COVID-19 levels. GLA occupancy in the short 2022 financial year achieved management's long-term target range of 94-95%, providing strong support for sustainable revenue growth going forward.

Our lease renewals remained strong, exceeding 90% of the contracts that expired in 2022, while the 10% of "good churn" allowed us to continue to migrate our category mix in the right direction. In the short 2022 financial year, there were 1,689 renewals compared to 689 renewals during the same period in the previous financial year. Importantly, 68% of these renewals were in Class A malls, which also make up 68% of the leases up for renewal in 2023 and underpins the potential for strong forward pricing momentum in the coming year.

Design and development (D&D)

Our Design and Development Department partners with leading global architecture and construction firms and leverages our extensive in-house capabilities to quickly move from design to development in the creation of innovative shopping centers. By harnessing this proven expertise in mall development, we deliver unique and appealing lifestyle center concepts that lead to increased footfall and delighted guests.

We continue to enjoy a strong pipeline of projects and anticipate the launch and operation of a number of new assets by 2026, with a total capital expenditure of approximately SAR 5 billion, including expenses already incurred. Notably, City Walk Jeddah is 80% complete and projected to open in H2 2023, while City Walk Qassim is 50% complete and expected to launch in H1 2024. Jawharat Jeddah is advancing smoothly towards its projected launch in 2024.

Pipeline Projects:

Centre	Location	Ownership	GLA (000 sqm)	Outlets	Budget (SAR mn)	Expected Launch
City Walk Jeddah	Jeddah	Leasehold	70	180	455	2023
Jubail Marina Mall	Jubail	M&O*	30	70	0	
City Walk Qassim	Qassim	Freehold	70	135	537	2024
Jawharat Jeddah	Jeddah	Freehold	108	190	1,100	
Jawharat Riyadh	Riyadh	Freehold	184	370	1,500	2025
Murcia Mall	Riyadh	Leasehold	45	150	216	
Jawharat Khobar	Khobar	Leasehold	134	380	1,300	2026
U-Walk Madinah	Madinah	Leasehold	50	95	230	

* Management & Operating Agreement.

GOVERNANCE & DISCLOSURES

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1. Corporate Governance

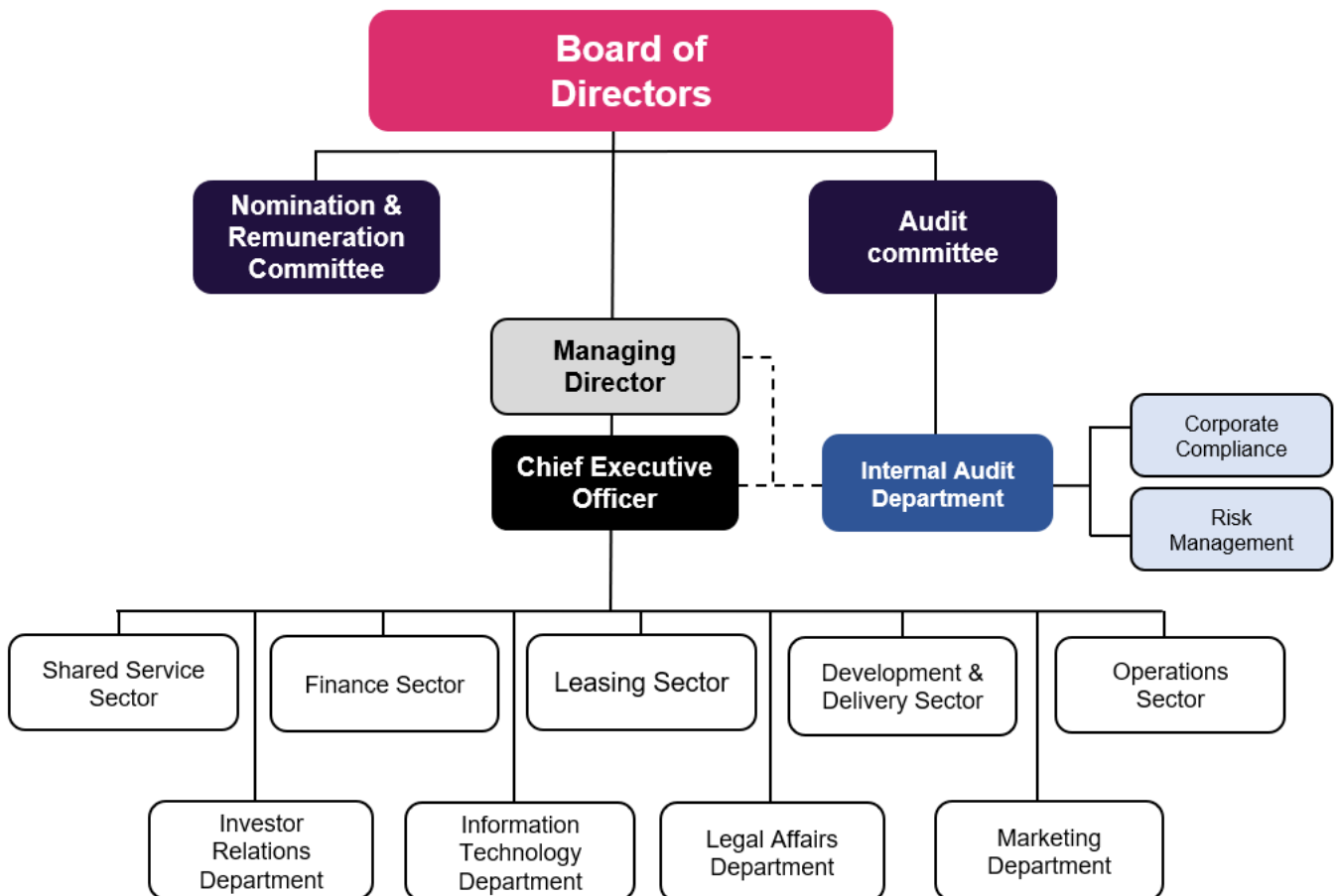
Overview

The key sources of corporate governance for the Company are the corporate governance regulations issued by the Capital Market Authority (CMA), certain provisions of the Companies' Law and corporate governance best practices in the Kingdom.

The framework under the corporate governance regulations regulates the various relationships between the Board, executive directors, shareholders and other stakeholders, by establishing rules and procedures to facilitate decision-making processes with the objective of protecting the rights of shareholders and other stakeholders, and promoting the values of credibility, fairness and transparency in the Company's conduct.

These regulations, which entail the implementation of a clear and transparent disclosure process ensure that the Board acts in the best interests of the shareholders and presents a clear and fair view of the financial condition of the Company and the results of its operations. The Company considers ongoing compliance with these regulations to be an important factor in its continued success.

Company's Organizational Structure



Key Corporate Governance Requirements

The key corporate governance requirements that the Company complies and will comply with are set out in the CMA Corporate Governance Regulations. These cover the following broad areas:

- General shareholder rights (Articles 4 to 9);
- Rights relating to General Assembly Meetings (Articles 10 to 15);
- The Board of Directors: formation, responsibilities, competencies, procedures and training (Articles 16 to 39);
- Conflicts of interest (Articles 42 to 46);
- Company committees (Articles 47 to 69); and
- Internal controls, external auditors, company reports and policies, and various other matters (Articles 70 to 95).

Corporate Governance Manual and Internal Policies

The Board of Directors approved the Corporate Governance Manual of the Company on 29/12/1438H (corresponding to 20 September 2017).

The Company's Corporate Governance Manual was made to comply mainly with the CMA and Companies' Law requirements and includes the following internal policies and charters:

- Board of Directors policies and procedures;
- Board of Directors conflict of interest policy;
- Board of Directors committee principles and policies;
- Monitoring, assessment, internal and external audit and internal control policies;
- General Assembly policies;
- Dividend distribution policy;
- Shareholder communication policies;
- Disclosure and transparency policies;
- Audit Committee charter;
- Nomination and Remuneration Committee charter; and
- Corporate social responsibility policy.

Corporate Governance Compliance

The Company applies all the provisions contained in the Rules of Corporate Governance issued by the CMA, except what is highlighted in the next section below. As at 19 June 2022, the Company's Board of Directors consisted of nine (9) members, majority of which are non-executive and the Board has four (4) independent directors, which is more than one third of the Board of Directors (Article 16). In addition, the shareholders adopted the cumulative voting method in relation to the appointment of directors at the General Assembly meeting held on 16/11/1443H (corresponding to 16 June 2022). This method of voting gives each shareholder voting rights equivalent to the number of shares he or she holds. Each shareholder has the right to use all of his or her voting rights for one nominee, or to divide their voting rights between his or her selected nominees without any duplication of votes. This method increases the chances of minority shareholders appointing their representatives to the Board by exercising their cumulative voting rights in favor of a single candidate.

In addition, in compliance with the Corporate Governance Regulations:

- The Ordinary General Assembly of the Company formed the Audit Committee, consisting of three non-executive members (all of them are independent), on 16/11/1443H (corresponding to 16 June 2022).
- The Board of Directors formed the Nomination and Remuneration Committee on 23/11/1443H (corresponding to 22 June 2022).
- The Company prepared the Audit Committee charter and the Nomination and Remuneration Committee charter, which were approved by the Board and ratified by the Ordinary General Assembly.
- In accordance with Article 91 of the CMA Corporate Governance Regulations, the board established governance rules for the Company in accordance with the provisions of these Regulations in the form of a Governance Manual (referred to in a separate section under "Corporate Governance Manual and Internal Policies").
- In addition, management has established a number of management committees to oversee certain functions within the Company and assist the Board in ensuring effective supervision and operation of the Company's different departments. The management committees are not formal committees of the Board and include the following: (i) Executive Management Committee; (ii) Development Committee; (iii) Asset Management Committee; (iv) IT & Technology Committee; (v) Tendering Committee; (vi) Leasing Committee; and (vii) Anti-Fraud & Anti-Corruption Committee.
- Furthermore, the Company has put in place measures to comply with provisions that deal with conflicts of interest and competing interests (Articles 71, 72 and 73 of the Companies' Law and Articles 42 and 44 of the Corporate Governance Regulations). The Company will comply with the requirements of these provisions when it seeks the approval of the General Assembly for Related Party Transactions.
- Pursuant to the Corporate Governance Regulations, each Board Member is prohibited from voting on a decision taken by the Board or the General Assembly with respect to transactions and contracts that are executed for the company's account, if he/she has a direct or indirect interest in those transactions or contracts (Article 42(b)(1)). The Companies' Law sets out similar requirements to the effect that a director, without prior consent from the ordinary General Assembly, may not have any direct or indirect interest in transactions or contracts made for the account of the Company. The director also has an obligation to inform the Board of Directors of any personal interest he may have in such transactions or contracts and may not participate in voting on resolutions to be adopted in this respect by the Board of Directors or shareholder assemblies. The Chairman of the Board of Directors must inform the General Assembly of any transactions and contracts in which any director has a direct or indirect personal interest and accompany that with a special report from the Company's external auditor (Article 71).
- In accordance with its Related Party Transactions Policy, the Company has interpreted the requirements of the Companies' Law broadly, such that approval of the General Assembly is required whenever any entity in which a

Director has a direct or indirect form of ownership enters into a transaction with the Company. Likewise, the Company has interpreted the scope of the voting restrictions in both the Companies' Law and the Corporate Governance Regulations broadly, such that not only is the relevant Board Member restricted from voting on the resolution to approve the relevant transaction, but that any shareholder which is controlled by that director would also be restricted from voting at the relevant General Assembly. The Corporate Governance Regulations also provide that if a member of the Board wishes to engage in a business that may compete with the company or any of its activities, he or she must notify the Board of the competing businesses and abstain from voting on the related decision in the Board meeting and general assemblies. The Chairman of the Board must inform the ordinary General Assembly of the competing businesses that the member of the Board proposes to be engaged in, and the authorization of the Company's General Assembly must be obtained for the member to engage in the competing business (Article 44). The Companies' Law sets out similar requirements (Article 72).

What provisions have/have not been implemented of the Corporate Governance Regulations, with justifications

The Company applies all the provisions contained in the Rules of Corporate Governance issued by the CMA which have been amended dated 18 January 2023, except the provisions below:

Type	Article	Clause	Justification
Guiding (becoming mandatory on 18 January 2023)	Article 30 Paragraph b)	The Board shall convene no less than four meetings per year, and no less than one meeting every three months.	The Board met two times during the past financial year FY2022 but will contemplate increasing its meeting frequency in the future.
Guiding	Article 37	Training: The Company shall pay adequate attention to the training and preparation of the Board Members and the Executive Management and shall develop the necessary programmes.	The Company provides training programs for the executive management and plans to provide training to board members in the future noting that current board members possess the necessary capabilities and expertise.
Guiding	Article 67	Composition of the Risk Management Committee: The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee". The Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	The Board of Directors did not see the need to establish a Risk Management Committee. It should be noted that the Audit Committee is overseeing the Risk Management function in accordance with its charter.
Guiding	Article 84	Social Responsibility: The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	The Company has participated in many activities during the year under the supervision of the executive management. We have already initiated the planning and implementation of establishing a sustainability committee to lead and govern our ESG strategy and direction within the Company, as well as a sustainability policy that

Type	Article	Clause	Justification
			caters to the requirements of the DJSI and ESG rating agencies and index providers.
Guiding	Article 85	Social Initiatives: The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company.	Pls refer to our justification on article 84 above.
Guiding	Article 92	Governance Committee: If the Board forms a Corporate Governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	The Board itself is overseeing Company's Governance activities.

2. Board of Directors

a. Composition of the Board of Directors

Under the bylaws, the Board of Directors shall be comprised of nine (9) directors appointed by the General Assembly by means of cumulative voting. The Companies' Law, corporate governance regulations, the Company's bylaws and corporate governance manual determine the duties and responsibilities of the Board of Directors. The term of the first appointed Board of Directors is for a period of five (5) years starting from the date of its formation on 19 June 2017 and ends on 18 June 2022.

Subsequently, the term of the Board of Directors will be of three (3) years. The Ordinary General Assembly "OGM" held on 16 June 2022 has elected the Board of Directors members "the new BoD" for its new term of (3) years starting from 19 June 2022 and ends on 18 June 2025.

The former Board of Directors, who's term ended on 18 June 2022, comprised of the following members:

No.	Name	Position Title	Membership Type	Date of Appointment by General Assembly	Membership Expiry Date
1	Mr. Fawaz Abdulaziz Al Hokair	Chairman of the Board	Non-Executive	19 Jun 2017	18 Jun 2022
2	Eng. Salman Abdulaziz Al Hokair	Vice-Chairman	Non-Executive	19 Jun 2017	
3	Mr. Mohamad Rafic Mourad	Managing Director	Executive	16 Jun 2022	
4	Dr. Abdulrahman Abdulaziz Al Tuwaijri	Director	Independent	19 Jun 2017	
5	Eng. Mohamed Abdullah Al Khorayef	Director	Independent	19 Jun 2017	
6	Eng. Kamel Badih Al Qalam	Director	Non-Executive	19 Jun 2017	
7	Dr. Bernard Higgins	Director	Independent	06 Dec 2017	
8	Eng. Omar Abdulaziz Al Mohammady	Director	Non-Executive	30 Sep 2019	
9	Mr. Ahmed Demerdash Badrawi	Director	Non-Executive	30 Sep 2020	

The Current Board of Directors, who's term started on 19 June 2022 being appointed by the AGM on 16 June 2022, comprise of the following members:

No.	Name	Position Title	Membership Type	Membership Expiry Date
1	Mr. Fawaz Abdulaziz Al Hokair	Chairman of the Board	Non-Executive	18 Jun 2025
2	Eng. Salman Abdulaziz Al Hokair	Vice-Chairman	Non-Executive	
3	Mr. Mohamad Rafic Mourad	Managing Director	Executive	
4	Dr. Abdulrahman Abdulaziz Al Tuwaijri	Director	Independent	
5	Eng. Kamel Badih Al Qalam	Director	Non-Executive	
6	Dr. Khalid Abdullah Abdulaziz Alsweilem	Director	Independent	
7	Mr. Abdulmajid Abdullah Albasri	Director	Independent	
8	Mr. Turki Saud AlDayel	Director	Independent	
9	Mr. Johan Henri Brand	Director	Independent	

The current Secretary of the Board of Directors is Mr. Turki Saleh Al-Zahrani.

b. Board of Directors Biographies

1) Mr. Fawaz Abdulaziz Al Hokair (Chairman of the Board of Directors “Non-Executive”):

Current Executive Positions:	General Manager of Fawaz Abdulaziz Alhokair & Partners Holding Co., and the General Manager of many other Saudi and non-Saudi companies and establishments (Balad Al Riyadh Est.; Fawaz Abdulaziz Alhokair & Partners Real Estate; Al Farida Real Estate Co.; Fawaz Abdulaziz Alhokair & Co. Enterprises Co.; FAS Construction Co.; Al Farida Information Technology & Communications Co.; Al Bawarij International for Development & Real Estate Investment Co.; Fawaz Abdulaziz Alhokair and Sons Holding Co.; Al Farida Al Oula Real Estate Est.). He is also the Chairman of FAS Saudi Holding Co., in addition to his membership of many other Saudi and non-Saudi companies.
Previous Executive Positions:	Chairman of the Board of Fawaz Abdulaziz Alhokair and Partners Co.; General Manager of Advanced Retail International Co.; General Manager at International Fashion Concepts Co.; also he was the General Manager of many other Saudi companies that he either owns or established such as Al-Waheedah Equipment Co.; Wahba Trading Co.; Eqar Al Arab Global Co.; Eqar Al Watan Co.; Retail Group Egypt; Al-Waheedah Equipment General Trading Co.
Academic Qualifications:	<ul style="list-style-type: none"> ▪ Bachelor's degree in Economics and Accounting from Loughborough University, United Kingdom, in 1989. ▪ Honorary Doctorate in Economics and Accounting from Loughborough University, United Kingdom, in 2008.
Experience:	Over 30 years of business experience in investment management, fashion and real estate development. He also sits on several other boards and committees.

2) Eng. Salman Abdulaziz Al Hokair (Vice-Chairman of the Board of Directors “Non-Executive”):

Current Executive Positions:	General Manager of Salman Abdulaziz Alhokair & Sons Holding Co.; General Manager of Salman Alhokair Engineering Consulting Firm; General Manager of Kids Space Co.; General Manager of FAS Spain Est.; General Manager of Tadarees Najd for Trading Est. He also sits on several boards of other Saudi and non-Saudi companies such as Food and Entertainment Co.; Fawaz Abdulaziz Alhokair & Partners Holding Co.; Al Farida Real Estate Co.; FAS Construction Co.; Fawaz Abdulaziz Alhokair & Partners for Real Estate Projects Co.; Al Farida IT & Comms. Co.; FAS Holding for Hotels Co.; Al Bawarij International for Development & Real Estate Investment Co.; FAS Real Estate Co.; Billy Games Co.; Coffee Centres Trading Co.; Fantastic Bakery Co.
Previous Executive Positions:	Chairman of the Board of Fawaz Abdulaziz Al Hokair and Partners Co.; General Manager of Al-Jeel Clothing Trading Co. He also sat on several boards of other Saudi and non-Saudi companies like Al-Waheedah Equipment Co.; Wahba Trading Co.; Retail Group Egypt; Advanced Retail International Co.; Al-Waheedah Equipment General Trading Co.
Academic Qualifications:	Bachelor's degree in Architecture from King Saud University, KSA, in 1990.
Experience:	Over 28 years of business experience in investment management, fashion and real estate development. He also sits on several boards of almost 60 companies and sole proprietorships.

3) Mr. Mohamad Rafic Mourad (Managing Director “Executive”):

Current Executive Positions:	MD & CEO of Saudi FAS Holding, MD & Cenomi Retail (previously Fawaz Abdulaziz Alhokair Co.)
Previous Executive Positions:	Mr. Mourad has held various senior leadership roles at major tech companies, including nearly 10 years at Google, part of which he was Google's Managing Director for the Middle East and North Africa, before moving to take on a global role in their headquarters in Silicon Valley. More recently, Mr. Mourad served as a Vice President at Instacart, the leading on-demand e-commerce player in North America. Prior to that, Mr. Mourad was in management consulting at Booz & Company (Now Strategy&), focusing on M&A and Corporate Development. Mr. Mourad has an intimate knowledge of the Saudi Arabian market both through spending more than 10 years in the country and through serving the market during his various regional and global roles.
Academic Qualifications:	<ul style="list-style-type: none"> ▪ Bachelor of Science with Honors at Lebanese American University, Lebanon, 1994. ▪ MBA at INSEAD, France, 2001.
Experience:	Mr. Mourad brings along 28 years of global management experience in technology, retail, consumer goods and e-commerce.

4) Dr. Abdulrahman Abdulaziz Al Tuwaijri (Member of the Board of Directors “Independent”):

Current Executive Positions:	Owner of Dr. Abdulrahman Al Tuwaijri Economic Consulting Firm.
Previous Executive Positions:	Chairman of the Board of Middle East Financial Investment Co.; Chairman of the Board of the Saudi Capital Market Authority (CMA); Member of the Board of Saudi Aramco Co.; General Secretary of the Supreme Economic Council; Managing Director and the representative of the Kingdom of Saudi Arabia in the International Monetary Fund (IMF); Economic Consultant at the Gulf Cooperation Council (GCC); Assistant Professor in the Department of Economics at King Saud University.
Academic Qualifications:	<ul style="list-style-type: none"> ▪ Bachelor's degree in Economics from King Saud University, KSA, in 1978. ▪ Doctorate in Economics from Iowa State University, United States of America, in 1985.

Experience:	Over 42 years of experience in business and economic consultancy. He also sits on several boards of Saudi companies.
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5) Eng. Kamel Badih Al Qalam (Member of the Board of Directors, and member of the Nomination and Remuneration Committee “Non-Executive”):

Current Executive Positions:	CEO at Lynx Contracting Company.
Previous Executive Positions:	Group CEO & MD of Fawaz Alhokair Group.
Academic Qualifications:	Bachelor's degree in Architecture from the University of North Carolina, United States of America, in 1988. Master's degree in Architecture from the University of North Carolina, United States of America, in 1990.
Experience:	Over 32 years of experience in the field of architectural engineering, real estate development and business development. He also sits on several boards of Saudi and non-Saudi companies.

6) Dr. Khalid Abdullah Alswilem (Member of the Board of Directors “Independent”):

Current Executive Positions:	<ul style="list-style-type: none"> Chairman of the Board of Directors, Ashmore Saudi Arabia. Expert, Stanford Universities and Massachusetts Institute of Technology (MIT).
Previous Executive Positions:	The former Chief Counselor and Head of Investment, the Saudi Arabian Monetary Agency (SAMA).
Academic Qualifications:	<ul style="list-style-type: none"> Postdoctoral Fellowship of Economics and Financial Management - Harvard University. PhD in Economics - University of Colorado Boulder. Master of Economics - Boston University. Bachelor Industrial Engineering - the University of Arizona.
Experience:	More than 31 years of experience in Economics and investment banking.

7) Mr. Abdulmajid Abdullah Mohammed Albasri (Member of the Board of Directors “Non-Executive”):

Current Executive Positions:	<ul style="list-style-type: none"> Group CFO, Cenomi Group (Previously Fawaz ALhokair Group).
Previous Executive Positions:	<ul style="list-style-type: none"> Group Treasurer - Fawaz ALhokair Group. Group Treasurer – Almarai. Portfolio Manager - SAMBA Capital. Madison Investment Fund. Audit and security analysis.
Academic Qualifications:	<ul style="list-style-type: none"> Master of Applied Financial Mathematics - University of Connecticut. Master of Economics - University of Connecticut. Bachelor of Business Administration - James Madison University. CFA Finance - CFA Institute. PRM Finance - PRMIA Institute.
Experience:	More than 17 years of experience in auditing and financial analysis and portfolio management and financial management.

8) Mr. Turki Saud AlDayel (Member of the Board of Directors “Independent”):

Current Executive Positions:	<ul style="list-style-type: none"> Managing Director of Nintey one Company.
Previous Executive Positions:	<ul style="list-style-type: none"> Head of Private Equity, Raidah Investment Company. Vice President, Saudi Fransi Capital Associate, Abraaj Capital (Private Equity) Associate, Riyadh Capital (Investment Bank) Analyst, Jp Morgan (Investment Bank)
Academic Qualifications:	<ul style="list-style-type: none"> Bachelor of Finance - King Fahd University of Petroleum and Minerals. The Master of Business Administration (MBA) - University of Minnesota.
Experience:	More than 16 years of experience in the field of investment banking.

9) Mr. Johan Henri Brand (Member of the Board of Directors "Independent"):

Current Executive Positions:	<ul style="list-style-type: none"> Managing Director of Johan Brand Leadership Advisory DWC-LLC
Previous Executive Positions:	<ul style="list-style-type: none"> Egon Zehnder, Sr. Partner and Consultant, Executive Search (Amsterdam/ Dubai) Pepsi Cola International, Head of Marketing/Director of PCI Management Institute P&G Benelux, Brand Management
Academic Qualifications:	<ul style="list-style-type: none"> Master of Corporate Law -Erasmus University Rotterdam (NL) Master of Private Law-Erasmus University Rotterdam (NL) MSc Business Economics -Erasmus University Rotterdam (NL)
Experience:	More than 36 years of experience in the fields of marketing management, executive search, and leadership advisory at CEO and Board-level

c. Board of Directors Current and Previous Memberships in Other Companies:

1) Mr. Fawaz Abdulaziz Al Hokair

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
FAS Saudi Holding Co.	Inside	Unlisted	Akar Al Watan Co.	Inside	LLC
Egyptian Centers for Real Estate Development.	Outside	Unlisted	Akar Al Arab Int'l Co.	Inside	LLC
Saudi Medical Co.	Inside	Unlisted	Al Faridah Information Technology and Communication	Inside	LLC
Marakez for Real Estate Investment, Egypt.	Outside	Unlisted	Wahbah Trading Co.	Inside	LLC
Arabian Falcon Limited, UK.	Outside	LLC	FAS for Construction Co.	Inside	LLC
Focus Hospitality, UAE.	Outside	LLC	Al Azizia Panda United Co.	Inside	Unlisted
FAS Holding, Italy.	Outside	Unlisted			
FAS Real Estate Development, UK	Outside	LLC			
Fawaz Abdulaziz Alhokair & Sons Holding Co.	Inside	LLC			
Najmat Al Taqa Co.	Inside	LLC			
Fawaz Alhokair & Co Real Estate ("FARE")	Inside	LLC			
Al-Farida First Real Estate	Inside	LLC			
Advanced International Retail	Inside	LLC			
Al-Bawarij Int'l for Development and Real Estate Investment	Inside	LLC			
Saudi FAS Holding Co.	Inside	Unlisted			
Marakez for Real Estate Investment Co.	Outside	Unlisted			

2) Mr. Salman Abdulaziz Al Hokair

Current memberships	Inside/out side Kingdom	Legal entity	Previous memberships	Inside/out side Kingdom	Legal Entity
FAS Saudi Holding Company	Inside	Unlisted	FAS First Investment and Development of Real Estate	Inside	LLC
Focus Hospitality Company	Outside	LLC	FAS Hotel 1- main CR	Inside	LLC
Egyptian Centers Real Estate Development Company	Outside	Unlisted	FAS Hotel 4	Inside	LLC
Marakez Real Estate Investment Company	Outside	Unlisted	FAS Hotel 5	Inside	LLC
Arabian Falcon Company, UK	Outside	LLC	Manzli Limited Liability company	Inside	LLC
FAS Renewable Energy Company	Outside	LLC	Ice cream express	Inside	LLC
FAS Holding Company, Italy	Outside	Unlisted	Cake Palace Company	Inside	LLC

Current memberships	Inside/out side Kingdom	Legal entity	Previous memberships	Inside/out side Kingdom	Legal Entity
FAS Real Estate Development Company, UK	Outside	LLC	Milk Taste Company	Inside	LLC
G&A International Consulting, UK	Outside	LLC	First Pie Company	Inside	LLC
FAS Energy Company, UK	Outside	LLC	Fashion Retail Company	Inside	LLC
Alarab trading	Inside	LLC	FAS Retail and Commercial Investment Co. Ltd.	Inside	LLC
FAS Company, Spain	Outside		Food and Entertainment Company	Inside	LLC
Skill of innovation Games company	Inside	LLC	Salman Al Hokair Engineering Consultancy Company (ECHO)	Inside	LLC
Al-Farida Two Real Estate	Inside	LLC	Dammam Center Company	Inside	LLC
Malaz Mall Trading Company	Inside	LLC	Generations clothing company	Inside	LLC
Al Yasmeen Mall Trading Company	Inside	LLC	Fawaz Al Hokair & Partners Trading Company	Inside	LLC
Al Hamra Mall Trading Company	Inside	LLC	Oyoun Al Basateen Trading Company	Inside	LLC
FAS 100 Real Estate Company	Inside	LCC	FAS Hotels Company (3)	Inside	LLC
Housing Company	Inside	LLC	ETQAN FACILITY MANAGEMENT COMPANY	Inside	LLC
Saudi Arabian Dalica Company	Inside	LLC	Innovation Renewable Energy Investment Company	Inside	LLC
Oyoun Al Raed Company	Inside	LLC	Fine Tastes	Inside	LLC
Erth Rasek Company	Inside	LLC	FAS Real Estate	Inside	LLC
Salman Abdul Aziz Al Hokair & Sons Holding Company	Inside	LLC	Kids Space Company	Inside	LLC
Saaf International Company	Inside	LLC	Arab Mall Company	Inside	LLC
FAS Real Estate Company	Inside	LLC	Luxurious taste	Inside	LLC
Fawaz Abdul Aziz Al Hokair & Partners Projects Co. Ltd.	Inside	LLC	Coffee Centers Company	Inside	LLC
Al Farida Real Estate Company	Inside	LLC	Riyadh Hotels Company	Inside	LLC
Fawaz Al Hokair & Partners Holding Company	Inside	LLC	Sala Entertainment Company	Inside	LLC
Arkan Salam Real Estate Company	Inside	LLC	FAS Energy Company	Inside	LLC
FAS Construction Company	Inside	LLC			
Arkan Al Salam Company	Inside	LLC			
Al Noor Mall Trading Company	Inside	LLC			
Yarmouk Mall Trading Company	Inside	LLC			
Al Dhahran Mall Trading Company	Inside	LLC			
Aziz Mall Trading Company	Inside	LLC			
FAS First Company for Investment and Real Estate Development	Inside	LLC			
High Tastes Company	Inside	LLC			

3) Mr. Mohamad Mourad

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Fawaz Abdulaziz AlHokair and Co.(Cenomi Retail)	Inside	Listed	None		
Vogacloset	Outside	Unlisted			

4) Abdulrahman Abdulaziz Al Tuwajri

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Al Hanaf United Trading Co.	Inside	LLC	Saudi Aramco	Inside	Listed
			MEFIC	Inside	Unlisted
			United Mining Investment Co.	Inside	LLC

5) Eng. Kamel Badih Al Qalam

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Egyptian Centers for Real Estate Development Co., Egypt.	Outside	LLC	None		
Echo Architecture Co., UK.	Outside	LLC			
Marakez for Real Estate Investment Co., Egypt.	Outside	Unlisted			

6) Dr. Khalid Abdullah Alsweilem

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Ashmore Saudi Investments	Inside	Listed	None		
Gulf International Bank GIB	Inside	Listed			
Fajr Investment Company	Inside	Listed			

7) Mr. Abdulmajid Abdullah Albasri

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Cenomi Retail Co.(Fawaz Abdulaziz Al Hokair Company)	Inside	Listed	None		
Support Group	Inside	Unlisted			

8) Mr. Turki Saud AlDayel

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Saudi Bio	Inside	Unlisted	Riva	Inside	Unlisted
Jubail United	Inside	Unlisted			

9) Mr. Johan Henri Brand

Current memberships	Inside/outside Kingdom	Legal entity	Previous memberships	Inside/outside Kingdom	Legal Entity
Nesma United Industries	Inside	Unlisted	None		

d. Board of Directors Meetings

Meetings Procedures

The Board of Directors shall meet twice a year at least, upon an invitation from the Chairman. A Board meeting shall be quorate only if attended by a majority of the members.

Board meetings may be held by telephone or any other electronic method allowing all of the attending members to hear all other attendees, unless otherwise notified. Board resolutions shall be made by a majority of the presented or represented Board Members at the meeting. If votes were equal, the opinion adopted by the Chairman of the Board shall be accepted.

The Board may adopt resolutions by circulation to all Board Members, unless one Board Member submits a written request that a meeting be convened for deliberations. Such resolutions shall be adopted by a majority of Board Members, with the resolutions laid before the Board at its first subsequent meeting.

Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the Chairman, the Directors present and the Secretary. Such minutes shall be entered in a special register to be signed by the Chairman and the Secretary.

Board Meetings Held During the Year

The Board held two meetings during the short financial year 2022 (ended 31-Dec-2022) as follows:

No.	Name	18-Sep-2022	12-Dec-2022	Total
1	Mr. Fawaz Al Hokair	Present	Present	2
2	Eng. Salman Al Hokair	Present	Present	2
3	Mr. Mohamad Mourad	Present	Present	2
4	Dr. Abdulrahman Al Tuwajri	Present	Present	2
5	Eng. Kamel Al Qalam	Present	Present	2
6	Dr. Khalid Abdulaziz Alsweilem	Present	Present	2
7	Mr. Abdulmajid Albasri	Present	Present	2
8	Mr. Turki AlDayel	Present	Present	2
9	Mr. Johan Brand	Absentee	Present	1

Directors' Attendance at Shareholders General Assembly Meetings

Three Shareholders General Assembly meetings were held during the short financial year ending 31 December 2022. Below is the attendance log of the Board of Directors at those meetings:

No.	Assembly type: Member Name	Ordinary 16-Jun-2022	Ordinary 28-Sep-2022	Extraordinary 28-Dec-2022
Attendance of previous BoD whose term ended on 18-Jun-2022:				
1	Mr. Fawaz Al Hokair	Absentee	NA	
2	Eng. Abdulaziz Al Hokair	Present		
3	Dr. Abdulrahman Al Tuwajjri	Absentee		
4	Eng. Mohamed Al Khorayef	Present		
5	Eng. Kamel Al Qalam	Present		
6	Dr. Bernard Higgins	Present		
7	Eng. Omar Al Mohammady	Present		
8	Dr. Omar Al Farisi	Present		
9	Mr. Ahmed Badrawi	Absentee		
Attendance of current BoD whose term started on 19-Jun-2022:				
1	Mr. Fawaz Al Hokair	NA	Absentee	Absentee
2	Eng. Salman Al Hokair		Present	Present
3	Dr. Abdulrahman Al Tuwajjri		Absentee	Absentee
4	Eng. Kamel Al Qalam		Present	Present
5	Mr. Mohamad Mourad		Present	Present
6	Dr. Khalid Alsweilem		Absentee	Present
7	Mr. Abdulmajid Albasri		Present	Present
8	Mr. Turki AlDayel		Present	Present
9	Mr. Johan Brand		Present	Absentee

Major Decisions Taken by the Board During the short fiscal year (ended on 31-Dec-2022):

#	Decision Date	Board Decision
1	16/6/2022	Approval of the appointment of Mrs. Alison Rehill-Erguven, as Chief Executive Officer of Cenomi Centers effective from August 01, 2022.
2	22/6/2022	Approval of the formation of new board, naming the chairman, vice-chairman, managing director, and formation of the Nomination & Remuneration Committee.
3	28/6/2022	Approval of the annual audited financial statements and the independent auditor's report for the fiscal year of the company ending on March 31, 2022.
4	28/6/2022	Approval of the change in accounting policy of the company to use the fair value or the re-evaluation to measure the real-estate and the investment properties in accordance with the International Accounting Standard (IAS 40 Investment Property), and the circular of the Capital Market Authority.
5	1/7/2022	Approval of distribution of cash dividends to the Company's shareholders in the amount of 356.25 million Saudi riyals, at the rate of 0.75 halalas per share, so that the number of outstanding shares is 475 million shares, for the first half of the financial year ending on 31 March 2022 AD, with the eligibility date being on Tuesday, 05/05/2022AD, and the distribution date should be on Tuesday 26/07/2022AD.
6	16/8/2022	approving the interim financial statement for the first quarter of the current fiscal year 2022/2023 for the three months period ended on 3rd of June 2022.

#	Decision Date	Board Decision
7	9/11/2022	approving the interim financial statement for the period ended on September 30, 2022.
8	24/11/2022	Approval of changing the end date of the company's fiscal year and December 31 will be the new company's fiscal year end instead of March 31. Authorizing the Board Member, Mr. Abdulmajid Abdullah Al Basri, to represent the Board of Directors and to sign all documents necessary to amend the company's fiscal year.
9	30/11/2022	Inviting the shareholders to the Extraordinary General Assembly to vote on changing the end date of the company's fiscal year, so that December 31 will be the new date for the end of the company's fiscal year instead of March 31.
10	2/12/2022	approving the change of the company's brand identity (Trading name...etc) to (Cenomi Centers) and authorizing the company's management to take the necessary procedures to inform the Capital Market Authority, the Ministry of Commerce, and the relevant authorities
11	28/12/2022	Inviting the shareholders to convene the Extraordinary General Assembly of the company as soon as possible, to vote on the incorporation of Arabian Centers Company (the Company) for a sukuk program compatible with the provisions of Islamic Sharia, with a total amount of 4,500,000,000 Saudi riyals within a period of up to two years from the date of incorporation

e. Interests of Board Members and their Relatives in Shares or Debt Instruments of the Company

No.	Board Member	Number of Shares Beginning of Year	% Ownership Beginning of Year	Number of Shares End of Year	% Ownership End of Year	% Change During the Year
1	Mr. Fawaz Abdulaziz Al Hokair	40,900,000	8.61%	40,900,000	8.61%	-
2	Eng. Salman Abdulaziz Al Hokair	38,000,000	8.00%	38,000,000	8.00%	-
3	Dr. Abdulrahman Abdulaziz Al Tuwaijri	-	-	-	-	-
4	Eng. Kamel Al Qalam	-	-	1,824,009	0.38%	NA
5	Mr. Mohamad Mourad	-	-	-	-	-
6	Dr. Khalid Alsweilem	Not appointed yet		-	-	-
7	Mr. Abdulmajid Albasri			-	-	-
8	Mr. Turki AlDayel			-	-	-
9	Mr. Johan Brand			-	-	-

Declarations:

- 1) There is no interest of the Board Members' relatives in the shares of the Company.
- 2) There is no interest of the Board Members and their relatives in the debt instruments of the Company.

f. Procedures to Inform BoD with Shareholders' Suggestions

The Board of Directors shall make available to all its members, especially non-executives, legal documents, financial reports, follow-up reports, future expansion studies, Board of Directors' reports as well as internal rules, procedures, policies and regulations that enable them to carry out their duties adequately, additionally including knowledge of shareholders' proposals and their observations about the Company and its performance.

The Company has established an Investor Relations Department that meets all investors' requests and responds to their inquiries. The department then briefs the Chairman of any recommendations suggested by the shareholders and submits their comments and suggestions to the Board of Directors of the Company. Several means are available and accessible to shareholders, including telephone and email correspondence.

3. Board Committees

The Board of Directors has established the committees to improve the management of the Company. Each committee is required to adopt a charter which sets out its role, powers, responsibilities, and meetings procedures for the purpose of discharging its duties.

The following is a summary of the structure, responsibilities, and current members of each committee:

a. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system, and to make any recommendations to the Board of Directors that would improve and develop the system to achieve the Company's objectives. The Committee is also responsible for risk management and compliance activities, as well as the annual risk report and risk reduction plans, before presenting the same to the Board of Directors. The scope of the Committee's work shall include all actions that enable it to fulfill its functions, including:

- Oversee the Internal Audit Department.
- Oversee the Risk Management and Compliance functions.
- Review the internal control, financial and risk management systems of the company.
- Review the internal audit reports and follow up on the implementation of corrective measures for the recommendations contained therein.
- Recommend to the Board of Directors to appoint the Director of the internal audit department and propose his remuneration.
- Review and evaluate internal audit procedures and make recommendations for the improvement thereof.
- Make a recommendation to the Board of Directors to appoint, dismiss, determine the fees and ensure the independence of external auditors.
- Review the audit plan with the external auditors and make any observations thereon.
- Review the auditor's report and his observations on the financial statements and follow up on the actions taken in that respect.
- Review the Company's interim and annual financial statements before submitting them to the Board of Directors.
- Review accounting policies and submit recommendations to the Board of Directors.

Audit Committee Members Profile

The Audit Committee consists of three (3) members appointed by the Board of Directors for a period of three (3) years. All of the members are independent.

The following members of the Audit Committee were appointed during the Ordinary General Assembly meeting held on 16/11/1443H (corresponding to 16 June 2022) effective from 19 June 2022 for three years ending 18 June 2025. The Audit Committee has appointed its Chairman and Secretary during the meeting held on 22 June 2022.

Audit Committee Members

#	Name	Title
1	Mr. Fahad Ibrahim Al Khorayef	Chairman (Independent)
2	Mr. Turki Saud Al-Dayel	Member (Independent)
3	Mr. Wissam Moukahal	Member (Independent)

The following is a brief overview of the members of the Audit Committee:

Name	Education	Work Experience	Current Positions	Previous Positions
Mr. Fahad Ibrahim Al Khorayef	Bachelor's degree in Finance from King Saud University, KSA	Financial and Business Advisory Services	<ul style="list-style-type: none"> ▪ Member of the Board of Saudi Finance Company ▪ CEO of Tourism Development Fund ▪ CEO of Al Khorayef Financial & Business Advisory ▪ Member of the Board of Erteqa Financial Company ▪ Member of the Audit & Risk Committee of the Al Khorayef Group ▪ Chairman of the Board of Wathiqah Company 	<ul style="list-style-type: none"> ▪ Chief Risk Officer at Maceen Capital ▪ Chief Risk Officer at Saudi Finance Company ▪ Export Finance Manager at Al Khorayef Group ▪ Manager at Samba Financial Group

Name	Education	Work Experience	Current Positions	Previous Positions
Mr. Wissam Moukahal	Bachelor's degree in Finance from Lebanese American University	Financial, Accounting and Banking sectors	<ul style="list-style-type: none"> Member of the Board of Halo Investing Member of the Board of Peninsula Real Estate 	<ul style="list-style-type: none"> Gulf Capital Anghami Salama Takaful CEO of Bank of Sharjah CEO of Macquarie Group Deloitte UAE Arthur Andersen
Mr. Turki Saud Al-Dayel	Please refer to Mr. Turki Saudi Al-Dayel's biography in the "Board of Directors Biographies" section above.			

Audit Committee Meetings

During the year, the Committee held eight meetings. The attendance of the committee members for these meetings was as follows:

Meeting Date	Mr. Fahad Al Khorayef	Mr. Turki Al-Dayel	Mr. Wissam Moukahal
22 Jun 2022	Present	Present	Present
28 Jun 2022	Present	Present	Present
16 Aug 2022	Present	Present	Present
13 Sep 2022	Present	Present	Absent
05 Oct 2022	Present	Present	Present
08 Nov 2022	Present	Present	Present
06 Dec 2022	Present	Present	Present

The main tasks accomplished during these meetings were as follows:

1. Reviewing the company's annual and quarterly financial statements and make recommendations to the Board of Directors for approval.
2. Following-up with management on the status of the preparation of financial statements in accordance with accounting and financial reporting standards.
3. Meeting with both the external and internal auditors of the company, and ensuring that the management has provided them with all the necessary data and information to perform their work.
4. Improving the corporate governance framework and internal control system.
5. Following-up with the Board of Directors and Executive Management to ensure the implementation of key issues such as:
 - Appointment of external auditors.
 - Key internal audit recommendations.
 - Company Risk Management System.
6. Encouraging management to promote compliance with policies, procedures, internal controls, risk management and governance.
7. Reviewing external auditor's reports and management letter.
8. Reviewing and approving the internal audit annual plan.
9. Monitoring and evaluating the performance of the internal audit function.
10. Reviewing internal audit reports and following up the implementation of major internal audit recommendations and risk management system.
11. Evaluation of tenders (including bid requests) for the selection of external auditors to review financial statements for fiscal year 2022 (from April 1, 2022 to March 31, 2023) in addition to the first quarter of fiscal year 2023, and the Board recommended the selection and approval of their remuneration.

Note: The Extraordinary General Assembly of Arabian Centers Company "Cenomi Centers", in its meeting held on 28 December 2022, approved the amendment of Article 45 of the Company's articles of association related to the fiscal year. Article 45 - after the amendment - will state that: "The Company's fiscal year begins on the first day of January and ends on the last day of December of each Gregorian year."

In addition, the Audit Committee confirms that there is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, and the Board accepted the recommendations of the Committee on the appointment of the external auditors of the company.

b. Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board Membership. The Committee is also responsible for assisting the Board in establishing a proper governance system and drafting the necessary policies and procedures. The Committee's scope of work includes all duties designed to enable it to fulfill its functions, including:

- Identifying qualified candidates and nominating them to the Board of Directors.
- Conducting an annual review of Board Membership requirements, which shall include the candidates' capabilities, experience, and availability to fulfill their Board responsibilities.
- Reviewing the structure of the Board and proposing required changes to benefit the Company's interests.
- Determining the strengths and weaknesses of the Board and proposing required changes to benefit the Company's interests.
- Nominating candidates for the positions of Chief Executive Officer and Managing Director, as well as nominating committee members for approval by the Board of Directors or the General Assembly.
- Reviewing the approval policies and procedures for Board Membership prior to their adoption, through the General Assembly.
- Monitoring the independence of independent Board members and monitoring any conflicts of interest on an annual basis.
- Reviewing the preparatory materials and training courses destined to new Board Members.
- Establishing clear policies regarding the remuneration of managers and senior executives.
- Reviewing and proposing plans for the assumption of key executive functions.
- Reviewing and approving the Company's overall structure of rewards and privileges, which includes employment grades, structure of wages and privileges, as well as rewards and incentives associated with performance.
- Approving changes to the remuneration of the Chief Executive Officer and recommending changes to the remuneration of the Managing Director, as well as the directors and members of the various board committees.
- Approving extraordinary remuneration (signing or performance bonuses) for the Chief Executive Officer and senior executives.

The Nomination and Remuneration Committee consists of three (3) members appointed by the Company's Board of Directors for a period of three (3) years. During the year, the Committee held three meetings to which all members attended.

The Board shall take the necessary measures to enable the Committee to carry out its functions, including informing the Committee, without any restrictions, of all data, information, reports, records, correspondences, or other matters which the Committee deems necessary.

The following members were appointed to the Nomination and Remuneration Committee by the Board resolution by circulation on Wednesday corresponding to June 22, 2022

Nomination and Remuneration Committee Members

#	Name	Title
1	Mr. Johan Henri Brand	Chairman (Independent)
2	Eng. Kamel Badih Al Qalam	Member
3	Mr. Abdulmajid Abdullah Albasri	Member

For a brief overview of the members of the Nomination and Remuneration Committee, please refer to the "Board of Directors Biographies" section above.

Nomination and Remuneration Meetings

During the year, the Committee held four meetings. The attendance of the previous and current committee members for these meetings was as follows:

Meeting Date	Eng. Mohamed Al Khorayef	Mr. Nadim Shabsogh	Eng. Kamel Al Qalam	Mr. Johan Brand	Mr. Abdulmajid Albasri
14- May-2022	Present	Present	Present	Not yet appointed	
17- May-2022	Present	Present	Present		
7- Sept-2022	Present	Present	Present	Present	Present

4. Board of Directors and COMMITTEES' Members Remuneration

a-1) Previous Board Members Remuneration during the Short Fiscal Year until the end of its terms on 18-Jun-2022 (In Saudi Riyal):

	Fixed Benefits							Variable Benefits						severance pay	Grand total	expenses allowance
	Certain amount	Attendance allowance for board Sessions	Total of Attendance allowance for board sessions	In-kind Benefits	Technical, administrative and consulting	reward of the chairman of the board, the managing	Grand total	percentage of profits	Periodic bonuses	Short – term incentive plans	Long – term incentive plans	Granted shares	Grand total			
First: Independent Directors																
Dr. Abdulrahman Al Tuwaijri	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Eng. Mohammed Khorayef	64,932	-	30,000	-	-	-	94,932	-	-	-	-	-	-	-	94,932	-
Dr. Bernard Higgins	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Second: Non-Executive Directors																
Mr. Fawaz Al Hokair	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Eng. Salman Al Hokair	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Eng. Kamel Al Qalam	64,932	-	30,000	-	-	-	94,932	-	-	-	-	-	-	-	94,932	-
Eng. Omar Al Mohammady	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Mr. Ahmed Badrawi	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-
Third: Executive Directors																
Mr. Mohamad Mourad	64,932	-	-	-	-	-	64,932	-	-	-	-	-	-	-	64,932	-

a-1) Current Board Members Remuneration from its appointment at 19-Jun-2022 until the end of the Short Fiscal Year on 22-Dec-2022 (In Saudi Riyal):

	Fixed Benefits							Variable Benefits						severance pay	Grand total	expenses allowance
	Certain amount	Attendance allowance for board Sessions	Total of Attendance allowance for board sessions	In-kind Benefits	Technical, administrative and consulting	reward of the chairman of the board the managing	Grand total	percentage of profits	Periodic bonuses	Short – term incentive plans	Long – term incentive plans	Granted shares	Grand total			
First: Independent Directors																
Dr. Abdulrahman Al Tuwaijri	161,096	50,000	-	-	-	-	211,096	-	-	-	-	-	-	-	211,096	-
Dr. Khalid Alsweilem	161,096	50,000	-	-	-	-	211,096	-	-	-	-	-	-	-	211,096	-
Mr. Turki AlDayel	161,096	50,000	105,000	-	-	-	316,096	-	-	-	-	-	-	-	316,096	-
Mr. Johan Brand	161,096	25,000	15,000	-	-	-	201,096	-	-	-	-	-	-	-	201,096	-
Second: Non-Executive Directors																
Mr. Fawaz Al Hokair	161,096	50,000	-	-	-	-	211,096	-	-	-	-	-	-	-	211,096	-
Eng. Salman Al Hokair	161,096	50,000	-	-	-	-	211,096	-	-	-	-	-	-	-	211,096	-
Eng. Kamel Al Qalam	161,096	50,000	15,000	-	-	-	226,096	-	-	-	-	-	-	-	226,096	-
Mr. Abdulmajid Albasri	161,096	50,000	15,000	-	-	-	226,096	-	-	-	-	-	-	-	226,096	-
Third: Executive Directors																
Mr. Mohamad Mourad	161,096	50,000	-	-	-	-	211,096	-	-	-	-	-	-	-	211,096	-

b. Board Committees Remuneration during the Short Financial Year ended on 31 December 2022 (Saudi Riyal):

Name	Fixed Remuneration (Except for the Allowance for Attending Board Meetings)	Allowance for Attending Committee Meetings	Total
Previous Audit Committee (Ended on 18-Jun-2022)			
Dr. Bernard Higgins (Chairman)	-	120,000	120,000
Mr. Nadim Shabsogh (Member)	130,000	120,000	250,000
Mr. Fahad Al Khorayef (Member)	130,000	120,000	250,000
Total	260,000	360,000	620,000
Current Audit Committee (Started on 19-Jun-2022)			
Mr. Fahad Al Khorayef	69,808	105,000	174,808
Mr. Turki Al-Dayel	69,808	105,000	174,808
Mr. Wissam Moukahal	69,808	90,000	159,808
Total	265,698	300,000	565,698
Previous Nomination & Remuneration Committee (Ended on 18-Jun-2022)			
Eng. Mohammed Al Khorayef (Chairman)	-	30,000	30,000
Mr. Nadim Shabsogh (Member)	21,644	30,000	51,644
Eng. Kamel Alqalam (Member)	-	30,000	30,000
Total	21,644	90,000	111,644
Current Nomination and Remuneration Committee (Started on 19-Jun-2022)			
Mr. Johan Brand	53,699	15,000	68,699
Eng. Kamel Al Qalam	53,699	15,000	68,699
Mr. Abdulmajid Albasri	53,699	15,000	68,699
Total	182,741	135,000	317,741

5. Senior Executives

a. Senior Executive Team

Cenomi Centers enjoys a highly qualified management team with decades of experience in the commercial real estate and retail industries.

Mrs. Alison Rehill-Erguven - Chief Executive Officer

- **Previous experience:** Prior to joining Cenomi Centers, Alison held the role of CEO for Pradera Retail Asia, a joint venture that was formed with Macquarie Bank's MIRA division, based in Shanghai, China, for 5 years. This JV was subsequently acquired in 2021 by Brookfield Asset Management, one of the world's largest alternative asset managers, where Alison led the transition of PRA into Brookfield and acted as Senior Advisor and Acting Head of Commercial Real Estate for Brookfield Properties in China where she was responsible for all retail assets including shopping malls, offices, and mixed-use developments. Before China, Alison spent several years in Turkey and Europe as Managing Director and Board Director for Pradera.
- **Qualifications:** Alison holds a master's degree in Organizational Leadership with honors from Colorado State University and a bachelor's degree in Marketing and International Trade with honors from the F. I. T., State University of New York.
- **Experience:** Alison has more than two decades of extensive shopping mall and retail real estate experience having been based in and managed some of the world's most prominent emerging markets across Asia, Europe, and Latin America. In addition, she has more than 10 years of experience working in the US market with global industry-leading companies, like General Growth Properties and Simon Property Group.

Mr. Walead Al Rebdy – Chief Financial officer

- **Previous experience:** Prior to joining ACC, Mr. Walead held the position of Chief Financial Officer at Gasco – a Saudi listed company, and prior to that he was Chief Financial Officer at Amnco. He also held several financial managerial positions at a number of organizations, including Daikin Air Conditioning, DISH Network, and the Saudi Central Bank (previously Saudi Arabian Monetary Agency "SAMA").
- **Qualifications:** MBA in 2006 and a master's degree in finance in 2007 from University of Colorado.
- **Experience:** Over 18 years of experience in the field of financial management.

Mr. Ghassan Abu Mutier – Chief Development & Delivery Officer

- **Previous experience:** From 2002 to 2015, Mr. Abu Mutier held the position of Supply Chain Group Manager at Fawaz Alhokair Real Estate Company. He had previously held positions at General Electric and at the Saudi Bin Laden Group.
- **Qualifications:** Bachelor's degree in Geology and Environmental Sciences, Yarmouk University, Jordan, 1997.
- **Experience:** Over 23 years of experience in Project Management and Architectural design fields.

Mr. Turki Saleh Al Zahrani - Chief Support Services Officer

- **Previous experience:** Mr. Al Zahrani joined the Company in 2009 as its Director of Human Resources. He has held several human resources positions in the past including Director of Human Resources at Geant Saudi Limited, a limited liability company established in the KSA and operating in trade sector, and Head of Human Resources and Administration at Al Othaim Holding Company, a closed joint stock company established in the KSA and operating in the commercial, real estate and industrial sector.
- **Qualifications:** Bachelor's degree in Business Administration, King Abdulaziz University, Saudi Arabia.
- **Experience:** Over 15 years of experience in Human Resources and Administrative Management fields.

Mr. Khalid Al Janahi – Chief Leasing officer

- **Previous positions:** Mr. Al Janahi held several positions in Real Estate Development and Financial advisory fields. Prior to joining Cenomi Centers, he was Leasing Director at SHUOOQ (Investment and Development Authority of Sharjah), and prior to that he was employed by MERAAS Dubai as Manager of Retail Leasing. Additionally, Mr. Al Janahi worked as a consultant in the Financial Advisory arm of Ernst & Young Bahrain.
- **Qualifications:** Master's in Business Administration from University of Incarnate Word in 2011 and bachelor's in Business Finance from University of Texas in 2010.
- **Experience:** Over eight years of experience in Retail Leasing, Real Estate Development and Financial Advisory.

Mr. Naji Fayad – Chief Internal Audit Officer

- **Previous experience:** Prior to joining ACC, Mr. Fayad spent a decade at Arabia Insurance Company, a Lebanon-based joint-stock company where he served in many positions including Director of Internal Audit, Chief Financial Officer and acting Chief Risk Officer. Mr. Fayad was also Audit Director at Deloitte and Touche, Canada.
- **Qualifications:** Master's degree in Business Administration from the American University of Beirut; Postgraduate degree in Public Accounting from McGill University, Canada; he's also a Chartered Accountant (CA), a Certified Internal Auditor, a Certified Information Systems Auditor and a Certified Risk Management Auditor.
- **Experience:** Over 20 years of experience in Internal Audit, Internal control and compliance management.

Mr. Faris Al Gahtani – Head of Investor Relations

- **Previous positions:** Prior to joining Cenomi Centers, Mr. Al Gahtani held the position of Investor Relations Manager in Dur Hospitality Company. And prior to that, Mr. Faris held the position of Investor Relations Team Leader at Zain Saudi Arabia. He also held couple of positions at KPMG Saudi Arabia over five years, where the last position was Senior Financial Analyst.
- **Qualifications:** Bachelor's in Finance from King Fahad University of Petroleum & Minerals, Dhahran, Saudi Arabia, in 2006.
- **Experience:** Over 14 years of experience in the fields of Investor Relations, Financial Advisory, Public Relations, Corporate Governance.

b. Senior Executives Remuneration*

the below table details the total remuneration paid to the top five senior executives (including the CEO and CFO), of which are not board members, during the short financial year ended 31 December 2022 (In Saudi Riyals):

Fixed	Salaries	10,401,600
	Allowances	640,000
	In-kind Benefits	-
	Total	11,041,600
Variable	Periodic remuneration	-
	Profits	-
	Short-term incentive plans	-
	Long-term incentive plans	-
	Granted Shares (Value)	-
	Total	-
End of Service Benefits		2,865,452
Other Benefits		-
Grand Total		13,907,052

* The Company is committed to disclose total remuneration of the Senior Executive Management in accordance with the requirements of Article 93 (4-b) of the Corporate Governance Rules. To protect the interests of the Company, its shareholders, and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives.

c. Description of Any Interest of the Senior Executives and their Relatives in Shares or Debt Instruments of the Company:

No.	Name	Shares at Beginning of Year	Shares at End of Year	Change	% Change
1	Mrs. Alison Rehill-Erguven (CEO)	NA*	-	-	-
2	Mr. Waleed Al-Rebdi (Chief Financial Officer)	-	-	-	-
3	Mr. Ghassan Abu Mutair (Chief Development & Delivery Officer)	-	-	-	-
4	Mr. Turki Al Zahrani (Chief Support Services Officer)	-	-	-	-
5	Mr. Khalid Al Janahi (Chief Leasing Officer)	-	-	-	-
6	Mr. Naji Fayad (Director of Internal Audit)	-	-	-	-
7	Mr. Faris Al Gahtani (Head of Investor Relation)	-	-	-	-

* Mrs. Alison was appointed on August 21, 2022.

Declarations:

- 1) There is no interest of the senior executives' relatives in the shares of the Company.
- 2) There is no interest of the senior executives and their relatives in the debt instruments of the Company.

6. Waived Remuneration and Compliance

- a. The company did not receive any notification that any of the Company directors, senior executives or shareholders have waived any remuneration/dividends.
- b. The remuneration is paid to the members of the Board of Directors, the members of the board committees and senior executives, that is shown in the related tables in this report, in accordance with the "Remuneration Policy for Board of Directors, Committees and Executive Management" approved by the Shareholders General Assembly on 30 September 2020 and based on the recommendation of the Nomination and Remuneration Committee. Knowing that there was no deviation in the remuneration payment from the

7. Annual Review of Internal Controls Effectiveness

The internal control system has an important role to play in the success of any organization. The Company is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction and adherence to regulatory requirements.

The Internal Audit Department carries out its functions according to the audit regulations adopted by the Company's Board of Directors. The Internal Audit Department provides independent objective services to assist the Board of Directors, the Audit Committee, and the Executive Management in discharging their responsibilities. The Internal Audit Department is not subject to any influence by the Executive Management and has full powers and unrestricted access to all documents and personnel required for the performance of its work. In carrying out its work, the Internal Audit Department adopted a systematic approach to evaluate and improve internal control effectiveness to achieve the Company's objectives and protect its assets.

The scope of work of the Internal Audit Department included examining the adequacy and effectiveness of the internal control system of the Company to verify whether the Company's internal systems, in particular the financial and administrative regulations and policies and the Corporate Governance frameworks approved by the Board of Directors, General Assembly and legislative and regulatory controls, ensure the achievement of the objectives of the Company.

The scope of internal audit management included:

- Audit and periodic examination of the Company's departments, giving priority to internal activities and jobs depending on the degree of risk.
- Informing officials in the various departments whose work has been examined of the observations revealed during the examination process as well as recommendations raised to management to address these observations.
- Evaluation of the procedures provided by executives in different departments to address the observations and implement the recommendations contained in the audit reports.

The Audit Committee studied and followed up with the implementation of the approved audit plan with the Internal Audit Department as well as following up with the implementation of the recommendations contained in the internal audit reports. The Company has taken positive steps to strengthen its internal control system, maintain the Company's assets and provide reasonable assurance about the integrity of financial reports prepared from accounting records. The Internal Audit Department of the company examines the internal control system on an ongoing basis to ensure its efficiency and effectiveness and carry out financial and operational reviews to evaluate the company's business.

The internal control system of the Company includes those policies and procedures which:

- Relate to maintaining records in such a way as to ensure the availability of detailed and accurate information and reflect substantially the fact of transactions and disposals in the assets of the company.
- Provide reasonable assurance that the registration of transactions allows the preparation of financial statements in accordance with the accepted accounting standards in Saudi Arabia issued by the Saudi Organization for Certified Public Accountants.
- Provide reasonable assurance as to the timely prevention or disclosure of unauthorized purchase, use or disposition of the Company's assets that could have a material impact on the financial statements.

The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor's reports and management letter, when applicable, which might include any lack of internal control

noted by the External Auditor as part of its internal controls' assessment. This comes within the objectives of the Board of Directors to obtain reasonable assurance about the soundness of the design and effectiveness of the performance of the Company's internal control system.

Based on the above, the Audit Committee believes that the internal control system within the Company is appropriately designed and effectively serves organizational objectives, operational efficiency, financial reporting reliability and regulatory compliance. No material deficiency or material weakness was found, although some improvements are needed and were communicated to the management, which is actively working on enhancing the controls based on audit recommendations.

It is worth noting that all Audit Committee recommendations are consistent with the decisions of the Board of Directors.

8. SUBSIDIARIES AND AFFILIATES

Name of Subsidiary*	Capital (SAR)	Nature of Business	Ownership %	
			Direct	Indirect
Riyadh Centres Company Limited (i)	500,000	Real Estate	--	--
Al Bawarij International for Development & Real Estate Investment Company	500,000	Real Estate	95%	5%
Al Makarem International for Real Estate Development Company	500,000	Real Estate	95%	5%
Oyoun Al Raed Mall Trading	100,000	Real Estate	95%	5%
Oyoun Al Basateen Company for Trading	100,000	Real Estate	95%	5%
Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin Al Hokair and Company	500,000	Real Estate	50%	-
Yarmouk Mall Company Limited	500,000	Real Estate	95%	5%
Mall of Arabia Company Limited	500,000	Real Estate	95%	5%
Dhahran Mall Trading Company Limited	500,000	Real Estate	95%	5%
Al Noor Mall Trading Company Limited	500,000	Real Estate	95%	5%
Al Yasmeen Mall Trading Company	100,000	Real Estate	95%	5%
Al Dammam Mall Trading Company (i)	100,000	Real Estate	--	--
Al Hamra Mall Trading Company	100,000	Real Estate	95%	5%
Al Erth Al Rasekh Trading Company	100,000	Real Estate	95%	5%
Derayah Destination Arabia Diversified Fund	-	Real Estate	100%	-
Riyad Real Estate Development Fund – Jawharat AlRiyadh (ii)	-	Real Estate	100%	-
Riyad Real Estate Development Fund – Jawharat Jeddah (iii)	-	Real Estate	100%	-

*All subsidiaries are limited liability companies incorporated in KSA.

- (i) During the nine-month period ended 31 December 2022, the Group sold its 100% equity interest in two subsidiaries to Saudi FAS Holding Company and accordingly these have been deconsolidated from the date of disposal, 14 August 2022. There were no operations of these subsidiaries. The subsidiaries were disposed off for a net consideration of SR 750,000. Gain on disposal of subsidiary of SR 10,100 has been recorded under other income in the statement of profit or loss.
- (ii) During the nine-month period ended 31 December 2022, the Group invested in a newly established private real estate fund named Riyadh Real Estate Development Fund - Jawharat AlRiyadh. The Group signed an agreement with Riyadh Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 2,796 million.
- (iii) During the nine-month period ended 31 December 2022, the Group invested in a newly established private real estate fund named Riyadh Real Estate Development Fund - Jawharat Jeddah. The Group signed an agreement with Riyadh Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 1,568 million.

9. SHARES AND DEBT INSTRUMENTS ISSUED BY SUBSIDIARIES

On 20 November 2019, Arabian Centres Sukuk Limited (a special purpose company owned by Cenomi Centers established for the purpose of issuing Sukuk) completed the issuance of an International USD denominated Shari'ah compliant Sukuk "Sukuk Certificates" amounting to USD 500 million (equivalent SR 1,875 million), at a par value of USD 0.2 million each, annual yield of 5.375% payable semi-annually and a maturity of five years. Sukuk Certificates may be subject to early redemption at the option of the Company as per certain specified conditions mentioned in the Sukuk Certificate.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company owned by Cenomi Centers established for the purpose of issuing Sukuk) completed the issuance of a 5.5 International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

Those issuances came in line with Cenomi Centers' financial strategy of transitioning from a fully secured capital structure towards unsecured financing.

10. INTERESTS AND CONTRACTUAL RIGHTS FOR BOD MEMBERS, EXECUTIVES AND RELATIVES IN SHARES AND DEBT INSTRUMENTS

There are no interests, contractual securities or rights issues with the Board Members, senior executives and their spouses and minor children on shares or debt instruments of the company or its affiliates (other than those mentioned in sections "Board of Directors" and "Senior Executives" in this report).

11. RELATED PARTIES TRANSACTIONS

Related Party Transactions Policy

The Company relies upon a number of important relationships with various related parties such as tenants and suppliers of construction and other services, which are material to conducting business. In view of the significance of these relationships and to reflect the conflict-of-interest provisions contained in the Corporate Governance Regulations and the Companies' Law, the Company adopted a Related Party Transactions Policy on 06/01/1440H (corresponding to 16/09/2018) to ensure that these relationships are conducted on an arm's length basis and on normal commercial terms. The Board believes that this policy will not only assist the Company in fully complying with its legal obligations with respect to related party transactions, but will promote best practices standards of corporate governance and transparency in the way that it conducts its business.

The Related Party Transactions Policy requires that management conduct a review of its list of related party relationships on a periodic basis, and that all related party transactions be subject to a process of internal review involving management, the Company's internal audit function, the Audit Committee, and the Board (with only "non-interested directors" being entitled to vote, being directors who do not have an interest in the relevant transaction). This happens before being recommended for approval by a majority of the non-interested shareholders at a General Assembly of the Company. Non-interested shareholders are those through which no director has an interest in the relevant transaction. Pursuant to the Companies' Law and the Corporate Governance Regulations, shareholders through which a director has an interest in the relevant related party transaction are not permitted to vote on the resolution for the approval of such transaction.

The Related Party Transactions Policy contemplates that the Company will enter into "framework agreements" to govern relationships with certain related parties which are material to conducting Company business. The framework agreements are intended to set forth a broad framework for the related parties' relationship, to ensure that transactions entered into between the Company and the Related Party are conducted on an arm's length basis. Framework agreements will not be entered into with related parties, where the related party transactions involved are more likely to be less material, low value and/or conducted on an ad hoc basis. Nevertheless, all related party transactions, whether conducted pursuant to a framework agreement or not, will be subject to the review and approval procedures described above.

Related Party transactions are regulated by relevant Saudi laws and regulations regarding the entering into of such transactions.

Summary of Transactions with Related Parties

A summary of the related parties with whom the Company conducts business together with a description of the relationship, and a confirmation of whether a framework agreement will be entered into, is set out below:

Entity	Nature of Transactions with the Company	Aggregate Value of Dealings as of 31 December 2022	Nature of Related Party Relationship
Fawaz Abdulaziz Al Hokair Company and its subsidiaries (i)	Fawaz Abdulaziz Al Hokair Company is one of the Group's Key Account Tenants and leases stores in various of the Company's malls.	279,668,063	Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are indirect controlling shareholders.
Saudi FAS Holding Company	Renting of office space and other business support activities.	3,805,042	Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are direct controlling shareholders.
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries (ii)	Abdul Mohsin Al Hokair Group for Tourism and Development leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. Abdul Mohsin Al Hokair and Tourism and Development is owned by a relative of the Controlling Shareholders.	16,356,992	Owned by a relative of the controlling shareholders.
Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company) (iii)	Currently, the Company exclusively relies on FARE for the construction of its shopping malls.	275,070,858	Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are indirect controlling shareholders.
Tadaris Al Najd Security Company (iv)	TNS provides security services to all of the Company's shopping malls.	46,439,156	Salman Abdulaziz Alhokair, as a director of the Company, is the direct sole shareholder.
Majd Al Amal Co. Limited and its associates (v)	Leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years.	20,830,188	Owned by relatives of the controlling shareholders.
Salman & Sons Holding Co and its associates (vi)	Leases spaces in several of the Company's shopping malls mainly for entertainment purposes.	34,135,645	Owned by relatives of the controlling shareholders.
Ezdihar Holding Co and its subsidiaries (vii)	Leases spaces in several of the Company's shopping malls mainly for trading purposes.	37,129,171	Owned by relatives of the controlling shareholders.
Others (viii)		3,172,060	

- (i) Fawaz Abdulaziz Al Hokair Company is one of the Group's Key Account Tenants and leases stores in various of the Company's malls. The Company is party to a framework agreement with Fawaz Abdulaziz Al Hokair Company which aims to ensure that all tenancy leases between the parties for all of the Company's malls are conducted on a basis which are approved by the management / Board of Directors.
- (ii) million as of 31 March 2021) by cash and by transferring lands to the Group (Refer note 8). The titles of these lands are in the name of Saudi FAS Holding Company (Ultimate Parent Company) and transfer of title deeds are in the process.
- (iii) Abdul Mohsin Al Hokair Group for Tourism and Development leases space for indoor and outdoor family entertainment centres in the Group's shopping malls where no framework agreement is signed with the Company. These leases range from 5 to 10 years in length. Abdul Mohsin Al Hokair and Tourism and Development is owned by a relative of the Controlling Shareholders.

- (iv) With the consent of the shareholders of the Company, the Company has signed framework agreement for the construction of all projects are awarded to other related party Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company).
- (v) Tadaris Alnajd Security Company (TNS) currently provides security services to all of the Company's shopping malls. The Company entered into a civil security services agreement with TNS providing that TNS provides civil security services in the malls, which includes the provision of security guards and other security personnel and security vehicles. The agreement is automatically renewable by mutual consent. The Company is party to a framework agreement with TNS to ensure all contracts and services were concluded on a purely commercial basis.
- (vi) Majd Al Amal Co. Limited and its associates is a mix of entities which leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. The Company is owned by close family members of the Controlling Shareholders. Entities includes Majd Al Amal Co. limited (framework agreement in place), Wealth Company Limited, Almuzn Foods and Sarya Al Majd Co. where no framework agreements are signed between these companies and the Company.
- (vii) Salman & Sons Holding Co and its associates is a mix of entities which leases spaces in several of the Group's shopping malls mainly for entertainment purposes. These entities are owned by controlling shareholder (Salman Abdulaziz Alhokair) and their close family members. These are as follows:
 - a. Sala Entertainment Company leases space for an indoor soft play entertainment venue in the Company's shopping malls. The leases are for a term of 10 years. No framework agreement is signed with the Company.
 - b. Kids Space Company leases space in Mall of Arabia (Jeddah) for 'Kidzania', a children's interactive play centre. The term of the lease is ten years, with automatic renewal unless one party gives notice. The lease contains turnover rent provisions and rent escalation mechanics. The Company is party to a framework agreement with Kids Space Company to ensure all lease contracts were concluded on a purely commercial basis.
 - c. Via Media, Vida first for beverages Est., Vida Trading Est. and Fashion District Co. leases spaces in several of the Group's shopping malls. The term of the leases range from 1 to 3 years. No framework agreements are signed between these companies and the Company.
 - d. Skills Innovative Games leases space for entertainment venues in Yasmeen Mall Jeddah. The term of the lease is approximately 10 years. The Company is party to a framework agreement with Skills Innovative Games to ensure all lease contracts were concluded on a purely commercial basis.
- (viii) Ezdihar Holding Co and its subsidiaries is a mix of entities which leases spaces in several of the Company's shopping malls mainly for trading purposes. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members. These are as follows:
 - a. Next Generation Company Limited currently leases cinemas and space planned for cinemas in the Company's shopping malls. The Company is party to a framework agreement with Next Generation Company Limited to ensure all lease contracts were concluded on a purely commercial basis.
 - b. Ezdihar Sports Co. leases space for a fitness centre in U-Walk. The term of the lease range is approximately 10 years. The Company is party to a framework agreement with Ezdihar Sports Co. to ensure all lease contracts were concluded on a purely commercial basis.
- (ix) Others mainly include transactions with Etqan Facilities Management, FAS Technologist Trading Company, Coffee Centres Company Limited, Nail Place Trading Est and Food and Entertainment company Limited where framework agreements are in place with these companies. Others also include Echo Design Consultant and Fahad Abdulaziz Al Hokair Trading EST where no framework agreements are in place.

The following transactions took place with the board of director members (as disclosed in notes to F/S for the year ended on 31 December 2022):

Description	SAR
Board of Directors expenses	3,313,258

Summary of Account Balances with Related Parties:

Entity	Balances as of 31 December 2022
Saudi FAS Holding Company	--
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	153,377,166
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	16,177,998
Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company)	720,068,772
Tadaris Al Najd Security Company	(1,163,114)
Majd Al Amal Co. Limited and its associates	47,670,205
Salman & Sons Holding Co and its associates	90,313,341
Ezdihar Holding Co and its subsidiaries	96,457,649
Others, net	3,822,623

12. Conflict of Interest

Neither the Company's bylaws nor any of the Company's internal regulations and policies grant any director the power to vote on any contract or proposal in which he has a direct or indirect interest, in accordance with Article 71 of the Companies' Law which states that a Member of the Board of Directors should not have any interest, whether directly or indirectly, in the transactions or contracts made for the account of the company, except with an authorization from the Ordinary General Assembly.

Pursuant to Article 71 of the Companies' Law, a member must inform the Board of Directors of any interest he may have in the transactions or contracts made for the account of the Company. The Chairman of the Board of Directors shall inform the Ordinary General Assembly, when it convenes, of the transactions and contracts in which any member has an interest. Such communication shall be accompanied by a special report from the auditor. Such declaration must be recorded in the minutes of the Board meeting, and the interested member shall not participate in voting on the resolution to be adopted in this respect.

Based on the foregoing, the directors undertake to comply with the following:

- Complying with the provisions of Articles 71, 72, 73, 74 and 75 of the Companies' Law and Articles 42 and 44 of the Corporate Governance Regulations.
- Refraining from voting on General Assembly resolutions pertaining to contracts entered into with the Company where the director has a direct or indirect interest in such contract.
- Avoiding participating in any business that competes with that of the Company, unless such member has authorization from the Ordinary General Assembly.
- All related party transactions will be made on an arm's length basis in accordance with the terms of the Related Party Transactions Policy.

As of the date hereof, none of the members of the Board of Directors, senior executives or current shareholders are party to any agreement, arrangement or understanding under which they are subject to any non-compete or similar obligation with respect to the business of the Company.

13. Borrowings

In November 2019, the Group entered into a long-term Islamic facility arrangement amounting to SR 5,250 million (equivalent to USD 1,400 million), with local and international banks. This facility is divided into Murabaha facility up to SR 500 million (maturing in 12 years), Ijara facilities up to SR 4,000 million (maturing in 8 and 12 years) and Revolving Murabaha up to SR 750 million (maturing in 3 years). These facilities are fully utilized as of reporting date.

During the period ended 31 December 2022, the subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 1,000 million with local bank. The long-term loan is repayable in unequal semi-annual instalments and are subject to commission rates based on SIBOR/LIBOR plus an agreed commission rate. The facilities are secured by Land. During the nine-month period ended 31 December 2022, the Group has drawn SR 63 million from the Facility. The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained.

On 20 November 2019, Arabian Centres Sukuk Limited (a special purpose company owned by Cenomi Centers established for the purpose of issuing Sukuk) completed the issuance of an International USD denominated Shari'ah compliant Sukuk "Sukuk Certificates" amounting to USD 500 million (equivalent SR 1,875 million), at a par value of USD 0.2 million each, annual yield of 5.375% payable semi-annually and a maturity of five years. Sukuk Certificates may be subject to early redemption at the option of the Company as per certain specified conditions mentioned in the Sukuk Certificate.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company owned by Cenomi Centers established for the purpose of issuing Sukuk) completed the issuance of a 5.5 International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

The below table details the borrowing details of the Company during FY2022:

Borrowing type	Balance at 01-Apr-2022	Period	Net drawdown / (repayments) during year	Balance at 31-Dec-2022	Maturity date
Long-term Islamic facility	2,723,415,669	3 to 12 years	535,745,410	3,259,161,079	2025-2034
Sukuk I	1,874,950,000	5 years	-	1,874,950,000	2024
Sukuk II	3,281,250,000	5.5 years	-	3,281,250,000	2026
Total	7,879,615,669		535,745,410	8,415,361,079	

* The above long-term Islamic facility has been lent by number of local and international banks, led by Saudi National Bank (SNB).

14. OUTSTANDING STATUTORY PAYMENTS

Government Party	Actual Payments for the Fiscal Year ended on 31 December		Accruals for the Fiscal Year ended session 31 December	
	2022	2021	2022	2021
Zakat and Value Added Tax (VAT)	149,977,382	120,705,111	60,230,976	27,789,923
GOSI	6,907,762	5,998,157		
Passports and visas	1,221,727	1,151,595	-	-
Baldiya	1,519,725	925,810	-	-
Chamber of Commerce	88,981	197,967	-	-
Total	159,715,577	128,978,640	60,230,976	27,789,923

15. ZAKAT, TAXES AND FEES

Status of Zakat Assessments

The Company has submitted the zakat return up to the year ended 31 March 2022 and obtained the provisional zakat certificate. The zakat certificate is valid until 31 July 2023. Until the year ended 31 March 2019, the Ultimate Parent Company prepared and submitted combined zakat returns for the Ultimate Parent Company and its wholly owned subsidiaries, including Cenomi Centers, to Zakat, Tax and Customs Authority as per Zakat, Tax and Customs Authority letter. The ultimate parent Company has received final assessment order for zakat until the year 31 March 2016.

The Ultimate parent company has allocated SR 38.66 million as Group's share of Zakat liability for the years 2017 to 2019. The group has Zakat provision of SR 77.3 million for the years 2017 to 2019. Accordingly, the Group has recorded the reversal of excess provisions in the consolidated statement of profit or loss for year ended 31 March 2021. Any additional settlements with Zakat, Tax and Customs Authority until the years 2019 will be borne by ultimate parent company.

Movements in Zakat Provision During the Year

The movement in the provision for zakat is as follows:

Item	31 December 2022 (Saudi Riyal)	31 December 2021 (Saudi Riyal)
Balance at beginning of the year	41,187,722	24,278,533
Provision for the year	37,102,712	8,366,222
	78,290,434	32,644,755
Transferred to Ultimate Parent Company	--	--
Paid during the year	(27,069,077)	(14,350,700)
Balance at end of the year	51,221,357	18,294,055

16. Dividends

A) Dividends Distribution Policy

After deducting all general expenses and other costs, the Company's annual net profits shall be allocated as follows:

- 10% of the net profit shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue said deductions when the statutory reserve amounts to 30% of the Company's share capital.
- The Ordinary General Assembly may, upon request of the Board of Directors, set aside a percentage of the annual net profits to form an additional reserve, to be allocated towards one or more specific purposes.
- The Ordinary General Assembly may resolve to set aside other reserves, to the extent that doing so serves the interest of the Company or ensures the distribution of as stable a dividend as possible to shareholders. Said assembly may also deduct amounts from the net profits for the establishment of social institutions for the Company's employees, or to help existing institutions.
- Out of the balance of the net profits, shareholders shall be paid an initial payment amounting to 5% of the Company's paid-up capital.
- Without prejudice to the provisions of Article 21 hereof and Article 76 of the Companies' Law, no more than 5% of the remainder shall be allocated to remunerate the directors, provided that the remuneration is commensurate with the respective number of sessions attended by each member.
- The remainder shall then be distributed to shareholders as an additional share of profits or deferred to the following years as approved by the General Assembly.
- The Board of Directors may resolve to distribute periodic dividends deducted from the annual profits specified in paragraph (4) of this article in accordance with the rules governing said distribution as issued by the competent authorities.

B) Dividends Distribution for the periods of the short financial year 2022 (From 01-Apr-2022 to 31-Dec-2022):

Distribution Period	Distribution Date	Amount Per Share (SAR)	Total Distribution Amount (SAR Mn)	Period Net Income (SAR Mn)	% Of Distribution to Net Income
First Half	12-Feb-2023	0.75	356.25	374.1	95.2%
Remaining period	Until the issuance of this report, Dividend distribution has not been decided for the remaining period of the short financial year 2022.				

17. Investments and Reserves Made to the Benefit of Employees

There are no investments or reserves created for the benefit of employees other than those determined according to the labor system in the Kingdom.

18. Fines and Penalties

No penalties have been imposed on the Company by the Capital Market Authority during the short fiscal year 2022 (financial period from 01-Apr-2022 to 31-Dec-2022).

19. Shareholders Register Applications

The below table summarizes the number and dates of Shareholders Register applications requested by the Company and the reasons for that during the short fiscal year ended on 31 December 2022:

No.	Date	Reason
1	04-Apr-2022	Company's procedures
2	10-May-2022	Company's procedures
3	16-Jun-2022	Shareholders General Assembly
4	13-Jul-2022	Dividend Distribution related to 2 nd half of FY2021
5	02-Aug-2022	Company's procedures
6	28-Sep-2022	Shareholders General Assembly
7	28-Dec-2022	Shareholders General Assembly

20. Major Shareholders List

Below are the major shareholders list of the Company, and movements during the short fiscal year 2022, and a description of any interest in a class of voting shares held by persons (other than the Company's directors, senior executives and their relatives) who have notified the Company of their holdings, together with any change to such interests during the last fiscal year:

No.	Name	Shares at Beginning of Year (Millions)	% Of Capital	Shares at the Year End	% Of Capital	Change (Millions)	% Change
1	FAS Real Estate Co.	197.4	41.6%	197.4	41.6%	0.0	0.0%
2	Mr. Fawaz Al-Hokair	40.9	8.6%	40.9	8.6%	0.0	0.0%
3	Eng. Salman Al-Hokair	38.0	8.0%	38.0	8.0%	0.0	0.0%
4	Dr. Abdulmajid Al-Hokair	38.0	8.0%	38.0	8.0%	0.0	0.0%
5	Al Farida Al-Thaniah Co.	19.0	4.0%	19.0	4.0%	0.0	0.0%
6	Al Farida Al-Thalitha Co.	19.0	4.0%	18.7	3.9%	-0.3	-1.7%
7	Al Farida Al-Oula Co.	5.3	1.1%	4.8	1.0%	-0.5	-9.4%
8	SAAF Al-Alamiya Co.	3.9	0.8%	1.7	0.4%	-2.2	-56.4%
Total		361.5	76.1%	358.5	75.5%	-3	-0.8%

Declaration: Regarding the declaration of movements in major shareholders' ownership in accordance with listing rules, the Company confirms that it has not received any written notification during the short fiscal year ended on 31 December 2022 from any of its major shareholders indicating any changes or movement in their ownership percentages. The disclosed information is based on the Saudi Stock Exchange (Tadawul) records on 31 December 2022.

21. BOARD OF DIRECTORS DECLARATIONS

1. No third party has carried out an assessment of the performance of the Board of Directors and performance of its committees. However, the Board of Directors conducted a self-evaluation of the board and committees' performance, and results were compiled, analyzed, shared, and discussed at the board level with areas of improvement prioritized for immediate action.
2. There is no conflict between the recommendations of the Audit Committee and the Board resolutions regarding appointing or dismissing the Company's External Auditor, or determining its remuneration, assessing its performance and independence or appointing the Internal Auditor.
3. There are no interests in any class of voting shares for anyone (except to the Board members and senior executives and their relatives) who have notified the Company with these interests, and any changes in these rights during the last fiscal year.
4. No convertible debt instruments, contractual securities, subscription right notes or similar rights were issued/ granted by the Company during the financial year.
5. No conversion or subscription rights under any convertible debt instruments, contractual securities, subscription right notes or similar rights were issued or granted by the Company.
6. There was no redemption, purchase or cancellation by the Company of any redeemable debt instruments.
7. No shareholder of the Company has waived any rights to dividends.
8. No investments or reserves were made or set up for the benefit of the employees of the Company.
9. The auditor's report does not contain any reservation about the approved annual financial statements.
10. The Board of Directors did not recommend replacing the external auditor before the end of their term.
11. There are no treasury shares retained by the Company.
12. There is no inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants.
13. The Board of Directors declares the following:
 - a) Proper books of accounts have been maintained.
 - b) The system of internal control is sound in design and has been effectively implemented.
 - c) There are no significant doubts concerning the Company's ability to continue as a going concern.



THANK YOU