

Bright Horizons Start from Here

20
22

Annual
Report



In the Name of
Allah
The Most
Gracious
The Most Merciful



Table of Contents

Letter from the Chairman of the Board of Directors

Letter from the Managing Director and Acting CEO

- 01 About the Company (Hospitality and Entertainment with a Global Vision)
- 02 Strategic Report (Launching Towards the Future)
- 03 Operational Performance (Transformation towards Growth)
- 04 Corporate Governance (Our Motto .. Transparency, Trustability, Discipline)
- 05 Our Shareholders (We Reserve your Rights and Respect your Trust)
- 06 Sustainability and Social Impact (Contributing to the Establishment of a Sustainable Community)
- 07 Financial Performance (Cutting Through the Road of Change)



Letter from the Chairman of the Board of Directors

Majid Abdul Mohsen Al Hokair

Dear Shareholders,

Peace and Blessings of Allah Be Upon You

It is a great pleasure for me and on behalf of all my fellow members of the Board and Executive Management, to present to all our honorable shareholders the annual report of your Company Al Hokair Group for the fiscal year ending as at December 31, 2022, which stand as a witness to the success of the Company's policy in resource management, cost effectiveness and generation of revenues despite all challenges faced during the year.

It is with a sense of pride that we eye the last year's results. Despite our turmoil, there really was light at the end of the tunnel. Having faced lots of challenges in both 2020 and 2021 as a result of the outbreak of COVID-19, which have dealt a heavy blow and spelt doom at both the local and global economies, the year 2022 has brought along a strong recovery, having initiated a new stage in business activity, enhanced the economic climate inside and outside the Kingdom, which in turn positively reflected on the Group's business activity.

Thanks God, in 2022, we managed to transform the Company's course of business, and to get it back to the right track. Over the last two years, we worked on minimizing such losses. We actually made significant strides on our sustainability agenda with our continuous effort, with the aim of turning losses to profitability in 2023 and the years to come.

The Group is exerting its utmost efforts to

achieve integration among all its activities following the diversification of said activities as a result of the hard work and persistence along with willing of achieving excellence with team work to insure the Company would prosper and advance in performing all kind of activities.

The Group and its work team have left no stone unturned for the development of all its business activities in order to provide a tangible added value for both its clients and partners, by taking sure and huge steps to ensure the continuity of success in light of the heightened economic transformations, while seeking at the same time to meet the strategic objectives adopted by the Company in accordance with the Kingdom's Vision 2030.

We laid down an action plan in cooperation with the entire administrative team, primarily with the aim of getting the Company back to the course of profitability, developing its main business activities and to continuously making improvements to the services provided to the Group clients, for the sake of preserving our current clientele and to gain more clients in the near future.

Our strategic plan has been built around three main pillars, first and foremost comes the optimum financial resources management, which required adopting expenditure efficiency and cost management perspective, and finally comes the amending of the Group capital through the procedures approved by the Company's General Assembly to fully amortize the accumulated losses in order to join the journey of future

growth and profitability.

The second pillar of the plan has to do with the diversification of the sources of income through the diversification of the business activity and services provided while continuously updating said activity. This has emanated from the Group's belief that the diversification of investments and services provided shall give way to operational advantages to the Company's business model, making it more flexible and effective.

The third and last pillar is about achieving business entrepreneurship, which can only be done by overcoming all internal and external obstacles, whether through the promotion of the business environment, the constant development of human resources, polishing of skills by training and follow up along with pacing up with the latest updated in technology and modern trends in business management.

Al Hokair Group is and has always been a pioneer in the field of the corporate governance, business sustainability and corporate social responsibility (CSR) programs, in light of the latest economic challenges that affect the market competitiveness and the consumer's behavior. Therefore, the Company is working according to the best international standards in environment and social management and due governance, which helps the Company to implement its strategy and achieve successes in the future.

As we aspire to a better future for the Group and achieve record-setting performance

and positioning ourselves for the future, we need to continue our hard work to serve the Company and its clients and to comply with the highest performance indices in terms of the products and services provided to clients, in addition to showing respect to competitors and continuously studying the market in order to facilitate supporting the Company activities in the best way possible to continue to hold a leading position and gain everybody's confidence.

Last but not least, I would like to express my deepest appreciation, respect and gratitude to our wise leadership; namely HRH Custodian of the Two Holy Mosques and HRH Crown Prince, May Allah bless them both, and the Kingdom government for their continuous efforts in supporting all economic sectors in the Kingdom whether through the initiatives or legislations that facilitate the procedures and the development of business activities.

I would like to further thank our honorable shareholders and clients for the confidence they laid in the Board. Special thanks go to the Board Members, Board Committees, and all executives in the Company various departments for their past and current efforts and guidance within a professional framework in accordance to the highest and most professional values, with the aim of providing best services to the Group clients and the entire community and to elevate the added value to our dear shareholders.



Letter from the Managing
 Director and Acting CEO
Sami Abdul Mohsen Al Hokair

Dear Shareholders of Al Hokair Group...
Peace and Blessings of Allah Be Upon You All.

Given the outstanding robust strength that the Kingdom economy has displayed, established by the figures, statistics and the testimonials of international, regional and local organizations, Al Hokair Tourism and Development Group is full of hope and charging up for the recovery of the entertainment and hospitality sectors, one of the main pillars of the Group. We are striving and working hard to improve our profit margins, and to make significant strides on the level of operational achievements in order to help our shareholders hedge their risks, maintain their liquidity and preserve their assets. At the same time, our eyes are yearning to positioning ourselves as local market leader and to achieving unprecedented levels with which we can compete at an international level. This can only be achieved by the support of our shareholders, which is what we have been accustomed to for years, and by the confidence of our clients, who have always been key to our success.

During 2022, Al Hokair Group has been seen lots of successes, challenges, growth and development. Stemming from our deeply rooted sturdy business platform, we managed to raise the operational efficiency at the level of all our business activities, having created the apt business environment, according to the

highest international criteria and in compliance with the sound bases of management, taking into consideration all due environmental, social and governance aspects, which have all contributed to the implementation of the Company's strategy.

I am immensely proud to announce that the last year's annual results have tangibly improved, as losses shrank by the end of the year by 53%, while the operational losses sank even more by 77.2%.

Results have undergone a quarterly spike, having achieved profits of more than SAR 12.12 million, with an increase of 96% in Q3 of this year, compared to the same quarter of the previous year. The Group further minimized its losses in the last quarter of the year by 67%, compared to the year-ago period.

Thanks to the cooperation and solidarity of our team over the last year who have achieved record-setting performance aiming to enhance the products and services provided to our customers, which positively reflected on the Company's yields by the end of the year, which have been the best over the last three years, having surged to almost SAR 721 million, compared to SAR 708.42 million last year, and about SAR 613.11 million in 2020, which has witnessed the peak of COVID-19 pandemic.

The business wheel has been pushed forward at a higher pace, compared to last year, with the help of the flexible management and the strenuous

efforts exerted by the Group work teams, with an eye on the Company values which are the core of the Performance-Values matrix adopted by Al Hokair Group.

Emanating from our belief in the quality of services provided to the Company's clients, our aim was to primarily win the confidence of our clients. That's why our preoccupation was to implement the highest criteria of compliance towards our clients and consumers inside and outside the Kingdom through the provision of the best value-added services according to the international standards, as we look forward to deliver future growth and expansion.

As part of our strategy, which is built around transformation and growth, Al Hokair Group works relentlessly to maintain its pioneering position in the consumer services sector, through its continuous study of the market mechanisms and its needs with a competitive edge to secure the Company's elite position among its competitors and push its constant growth.

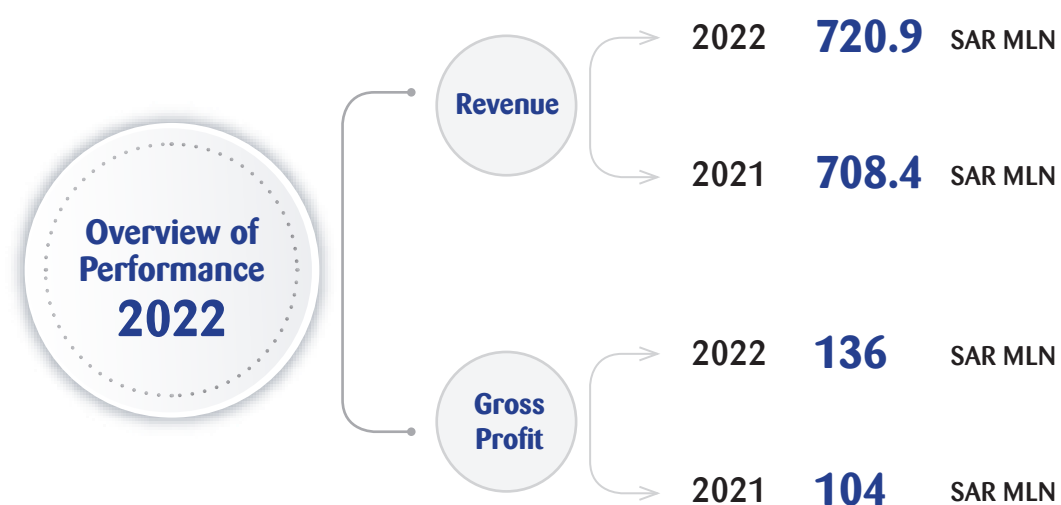
Undoubtedly, our vision in Al Hokair Group conforms to the Kingdom's Vision 2030, devised by the wise leadership of our Kingdom, which leaves no stones unturned to push down the wheel of economic growth, enhance the living standard of all members of the community, and provide the highest level of services and products. The Company has been

following its lead, which shall in turn contribute to laying down a road map for diversifying the Kingdom economy and establish an economy that is based on sustainability in all sectors.

In light of last year's results, we expect to reap the fruits of our efforts in 2023 and the upcoming years. Very soon, the Group results shall surge benefiting from the positive economic climate in the Kingdom and the paced up steps taken by our wise government to bring about a development boom that would position the Kingdom among the developed countries.

In conclusion, I hereby would like to seize this opportunity to express my deepest appreciation and respect for the Company board for its unlimited support for the Executive Management, the concerned departments and all the Group employees in their journey towards developing the Company and achieving its objectives. I would like to further extend my gratitude to our clients for their valuable confidence, which is one of the pillars of our success. As we look forward to the future, Al Hokair Group shall continue its efforts, acting upon our strategic directives for a better future for us, our shareholders and clients.

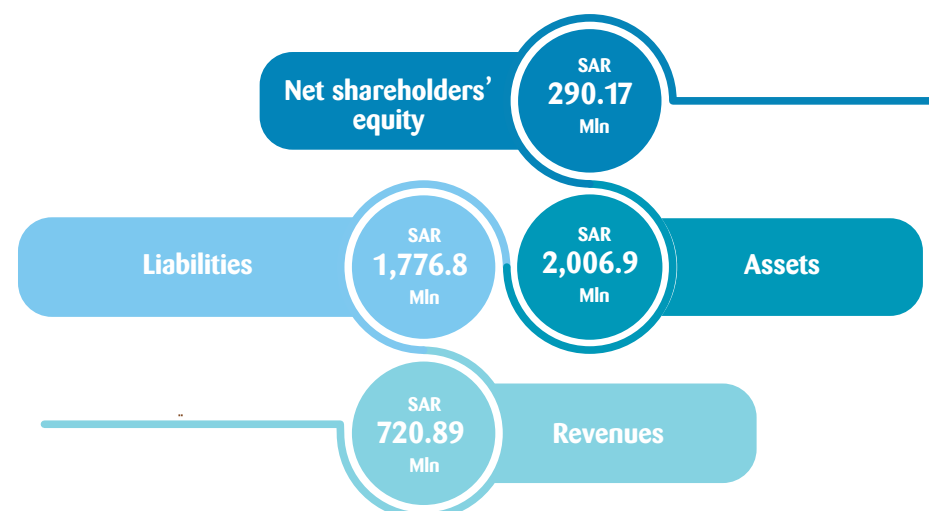
Al Hokair Group Activities in Figures



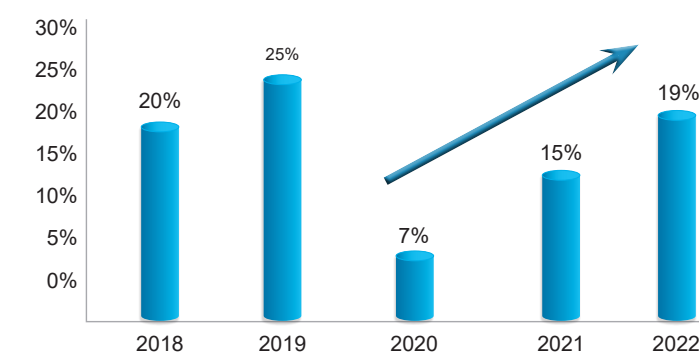
Contribution of Activities to Revenues



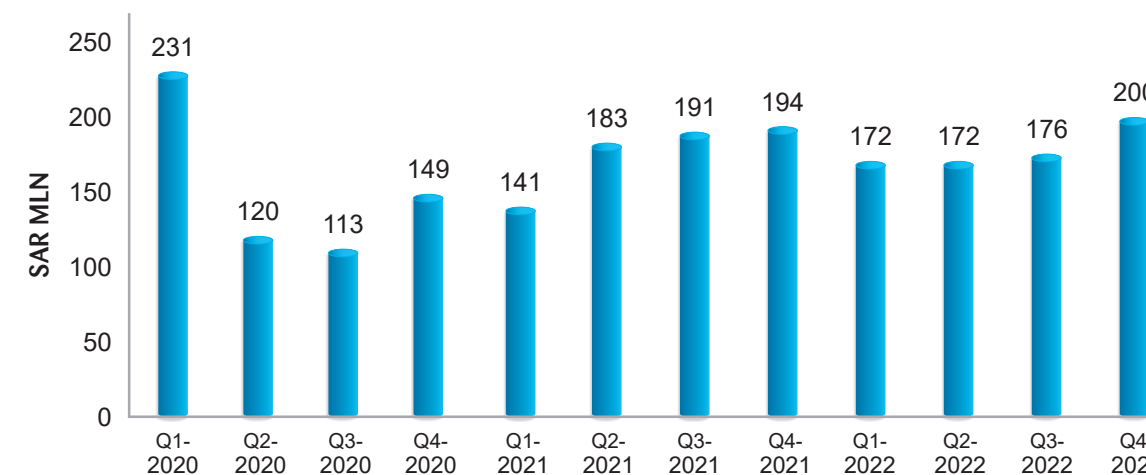
Prominent Items of the Financial Statements 2022



Gross Profit Margin



Development of the Company's Quarterly Revenues





01

About the Company

Hospitality and Entertainment
with a Global Vision



مجموعة الحكير
al hokair group

About the Company

[Hospitality and Entertainment with a Global Vision]

1-1 Our Story (Incorporation and Establishment)

Over 43 years of striving and giving, Al Hokair Group has achieved a number of successes that, with the help of Allah, were attributed to the strenuous efforts exerted by the Group executive team, who are responsible for the prominent position that the Group occupies now.

Al Hokair Group has been established 43 years ago, exactly in 1978, as a sole proprietorship working under the name of "Abdul Mohsen Al Hokair Group for Trading and Industry", under commercial register (C.R.) No. 1010014211, dated 16/08/1398 AH, corresponding to 22/07/1978 G, with a capital of SAR 274.000, when Abdul Mohsen Abdul Aziz Al Hokair established the Company flagship property; namely Al Rabwa Park, in Riyadh city.

Ever since then, the Group has been working hard to achieve integration among its activities, and to diversify such activities, with hard work, persistence and a strong will to achieve success along with teamwork, which has secured its progress, development and prosperity in all sectors, including entertainment, having expanded its operations in the entertainment activities with the inauguration of a number of entertainment properties all over the Kingdom.

Speaking about hospitality, the Company has launched its first hotel in Riyadh city in 1988, Andalusia Hotel, ever since then the Company has expanded the hospitality sector with opening other hotels all over the Kingdom; including hotels managed by the Company for other parties (such category includes local hotels in addition to hotel apartments and resorts), hotels managed by the Company, with franchise agreements, or hotels managed by global hotel operators, in accordance with management agreements or local hotel chains managed by the Company.

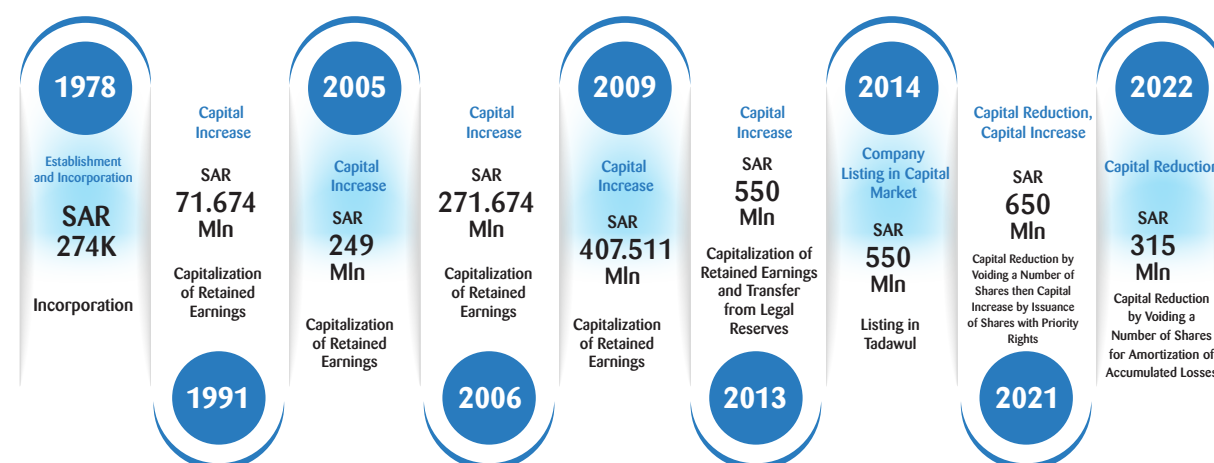




Development of Group Capital ever since Establishment until the End of 2022

As for the Group capital development, in 1991, the Group has increased its capital from SAR 274,000 to SAR 71,674,000 through the capitalization of its retained

earnings. Then, the Company has seen subsequent increases in its capital in 2005, 2006, 2009 and 2013 until the Company was listed in the Saudi Stock Exchange (Tadawul) in 2014 with a capital of SAR 550 million.



In 2021, the Group capital has seen the first capital reduction which was later followed by a Rights Issue increase. The Extraordinary General Assembly (EGA) of the Company shareholders agreed on 08/07/2021 to reduce the Company capital from SAR (550,000,000) to SAR (343,000,000) million by voiding shares, as a step that aims at restructuring the Company capital for the amortization of accumulated losses of SAR (207,000,000). On the same date, an increase of the Company capital to SAR (650,000,000) has been approved by the issuance of shares with priority rights.

On 13/06/2022, the Company Board recommended capital reduction of 46.15% from SAR (650,000,000) to SAR (350,000,000), with the purpose of restructuring the capital in order to amortize accumulated losses of 98.79% as at 31/03/2022.

On 30/08/2022, the Board has amended its recommendation to EGA on the capital reduction of 51.54% from SAR (650,000,000) to SAR (315,000,000), with the purpose of restructuring the capital in order to amortize accumulated losses of 98.93% as at 30/06/2022.

On 08/09/2022 the Company has filed a capital reduction request to the Capital Market Authority (CMA), upon the Company Board recommendation. In 21/09/2022, the Company Board invited shareholders

to EGA to vote over the Company capital reduction, the amendment of Article (7) of the Company Articles of Association (AOA) on Capital and the amendment of Article (8) of the Company AOA on Share Subscription.

On 06/10/2022, the EGA convened, with a turnout percentage of 52.52%, and approved the Board recommendation on the Company capital reduction from SAR (650,000,000) to SAR (315,000,000). Thereby, reducing the number of shares from (65,000,000) ordinary shares to (31,500,000) ordinary shares, by voiding of (33,500,000) ordinary shares, with a reduction rate of 51.54% of the Company capital to achieve an amortization of the accumulated losses of 98.93% at SAR (338,631,000), as at 30/06/2022, in addition to approving the amendment of Articles (7) and (8) of the Company AOA.

On 17/11/2022, the Company declared the decrease of its accumulated losses to 0% of the Company capital, following the reduction of the Company capital to SAR (315,000,000) by the amortization of accumulated losses of SAR (335,000,000).

1-2 Vision, Mission and Values

Vision



To become the leading company in both entertainment and hospitality sectors all over the countries where it operates, and to be the best choice available for clients, investors and employees, in accordance with the best international standards, and most importantly, with a local spirit.

Mission

Al Hokair Group seeks to be the best reliable choice for its clients, to offer quality, value and welfare and to maintain its continuous growth for clients, shareholders and employees.

Values



The deeply rooted rule that stands behind the Group values is “One Company, Multiple and Diverse Activities”. This stems from the Group focus on investing in both hospitality and entertainment sectors, with the diverse activities that service and support each other, according to the following values:



1) Added Value

To maximize the shareholders' wealth, attain sustainable growth and maximize profits.

2) Empowerment

To enhance and develop skills and leadership through the recruitment of young leaderships and skillful youth, provide them with career development and development of personal skills. In addition to activating the work environment, encouraging initiatives and giving powers for independently practicing work, determining clear career paths and providing incentives against achieving outcomes.

3) Trust

To provide highly trusted customer service, while abiding by the provision of top-notch services with the highest degree of professionalism and reliability, and to continuously provide and develop services to professionally meet the customer's requirements and wishes.

4) Excellence

To maintain the operational excellence by maintaining an institutional culture that seeks to reach the highest efficiency and development with the provision of top-notch quality and the highest degree of safety. To further implement the necessary procedures to ensure the several and joint responsibility for decisions and outcomes.

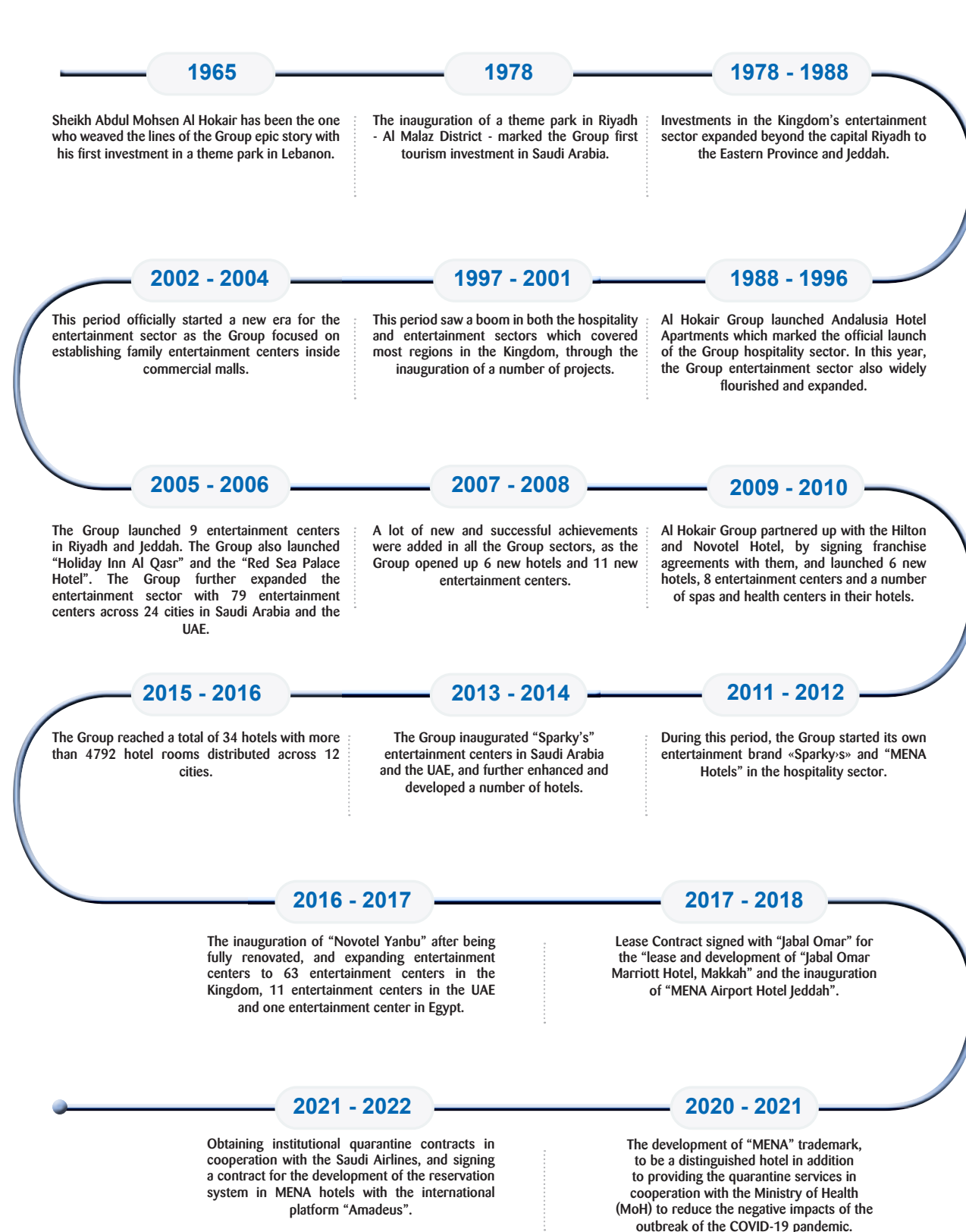
5) Responsibility

The Group is committed to its responsibility towards the community, aiming to achieve some sort of balance between work and social benefits, to ensure environmental protection and continuous development. The Group further acts responsibly to maintain morals in the communities in which it works.

6) Diversity and Integration

Al Hokair Group believes that the diversity of activities and achieving integration between them is one of the issues that shall help secure a good future for the Group and shall thus maximize the shareholders' profits and maintain their investments.

1-3 Our Path



1-4 Our Partners



- Sky Zone
- Share Amusement
- Hilton Hotel Chain
- Al Hokair Time
- Brass Monkey
- InterContinental Hotels Group
- Xtreme Trampoline
- Koora Arena
- Accor Arena
- Splash
- PlayoCity powered by Hasbro
- Carlson Rezidor Hotels
- Monopoly Lifesized
- Marriott Hotels
- CoComelon Playdate
- Golden Tulip Hotels
- Sparky's Laser Tag
- Holiday Inn
- Sparky's Bowling



1-5 Initiatives

The Group held negotiations with the main shareholder to take over the hotels assets. Such initiative strategically supported the Group by boosting its cost structure, in addition to increasing the base of propriety rights, thus enhancing the Group financial status and financial solvency. Such potential capital increase has been the following step in a series of capital restructuring plans approved by the Group to gradually combat the consequences of the COVID-19 pandemic by reducing the capital (in 2021

and 2022) and restructuring / increasing the capital in various (material and in-kind) ways. It is worth here to mention that the Group managed to raise cash flows by successfully increasing its capital by SAR 307 million during the pandemic in 2021. The said increase was used to support operating capital requirements, which assures that the Group shareholders support their company to move to the safe side in such hard times. Furthermore, the levels of bank loans were reduced to their minimum in 5 years.

Levels of Bank Loans Reduced to their Minimum in 5 Years

As for the proposed takeover, this represents one of the initiatives within the Group future plans aiming to enhance the Group performance, financial position and the shareholders' added value. This process requires meeting the inspection and due diligence requirements through the appointment of licensed advisors to offer consultancy services, covering the financial and legal aspects and the appointment of independent licensed global consultancy offices to provide a fair assessment of selected assets and to complete the study from an engineering and operational aspect so as to:

- Enhance the Group capital so that it might conform to the size of its business.
- Improve operational cash flows and reduce operational costs so as to contribute to the Group transformation to profitability.
- Diversify the Group assets and maintain their value on the long term.

1-6 Trademarks

The Group manages a number of well-known and elite trademarks all over the world, within the framework of the expansion and growth strategy adopted by the Company, those trademarks directly contribute to give clients confidence and trust in the Group activities and services provided in all sectors. Such Group-managed trademarks include:



- A family entertainment center with a design inspired by light, and it is a fun destination that combines between the colorful and contemporary design equipped with exclusive preparations for all ages.
- Sparky's is more than just an ordinary gaming experience, it provides a wide range of classic Arcade games in addition to the latest high definition releases that will sure give you hours and hours of non-stop fun!
- An entertainment complex that includes great rides, attractions, contemporary coffee shops and food stands for all family members. Sparky's gives all guests the opportunity to enjoy a wide range of indoor rides, simulators, skill games, video games and other tourist attractions.



Snowy Forest



- Snowy Forest is one of the best soft play areas for your children (less than 8 years old), it is designed in cube-shaped departments, each cube represents a gaming area with a digital theme, and each one is allocated for different activities like climbing walls, slides and kids trampoline. Each cube has its own nature, environment and characteristics with all such fun activities in one amusing safe place for your kids.



Sparky's Bowling



- Sparky's Bowling is a one of its kind entertainment and fun space, featuring bowling, video games, billiards and live events. Clients may even book places for birthdays and corporate events. Sparky's Bowling is the ultimate destination for your events and parties. Clients may book the whole space, or just book a table for parties, meetings or team-building events.

It is the best place for groups, specially, that it encompasses a passionately designed coffee shop that serves a classic food menu.



Sparky's Laser Tag



- Sparky's Laser Tag has been professionally designed to meet all your needs. It offers an entertainment concept based on modern challenge party games for adults and kids alike. Sparky's Laser Tag is best known for its contemporary design that will sure amaze you.
- It is a clean, safe environment friendly place, but above all, it has been originally designed to offer great excitement for all ages by the provision of mental and physical activities and challenges.
- Laser Tag is a famous party game widely known over the world, it is attractive for all ages all year round, and is not limited to any particular season. Laser Tag has the best state-of-the-art equipment to provide endless fun and amusement.

CoComelon PlayDate



- CoComelon PlayDate has been inaugurated in Riyadh and it is the first of its kind in the whole world. This new family entertainment center is located inside the Boulevard World, where you can indulge in meeting JJ, Cody and friends. This is the place where you can explore and discover new games and the new big maze. You can also hold your party in one of our amazing party rooms, and enjoy one of our delicious meals at the coffee shop.

CoComelon PlayDate, Riyadh is the first of its kind in the Whole World

Monopoly Lifesized

MONOPOLY

- Monopoly Lifesized offers you an interactive indulgent experience for 80 minutes. This real-life, full-sized giant version of Monopoly offers you, your friends and family of all ages, the chance to hop around the huge monopoly board with a giant dice, plus real-life representations of the tokens to guide players through their thrilling journey. The game is permanently available in Boulevard World, Riyadh, which is preparing to open more potential entertainment centers soon.



PlayoCity powered by Hasbro



- PlayoCity family entertainment center has been opened for the first time in the whole world in Riyadh. PlayoCity center offers a number of thrilling experiences, where guests can experience amusing and unique games with each of Hasbro characters in seven main areas including great mechanical rides, roller coasters, drop zones, carousels, soft play areas and laser games.
- Its seven zones are inspired by Hasbro's most known characters; namely: Hungry Hippos, Tonka, Connect 4, Power Rangers, My Little Pony, Transformers, in addition to the colorful PlayoCity Arcade which provides a number of prizes and thrilling games.

PlayoCity Family Entertainment Center has been opened for the first time in the world in Riyadh

Splash



- Year after year, Al Hokair Group is always keen to attract creative out-of-the-box ideas to enhance the experience of its guests. With a design inspired by seabed and laser lights, Splash has been launched in Daren Mall in Dammam. Guests will have a memorable experience and an unprecedented feeling of diving into the ocean with water boating rides and more than 80 video games. In Splash, Guests will also be able to enjoy the Super Mario game exclusively available in this location, the special virtual game zone and the new version of Chimp act game.

Xtreme Trampoline



- Xtreme Trampoline is a family fun destination with multiple entertainment and sports, including many physical activities with large trampoline-covered spaces with sidewalls and slopes that provide a secure soft play arena for the whole family.

Brass Monkey



- Brass Monkey, established in Dubai, 2020, is the first of its kind in the Middle East, and now we shall be sharing this one of a kind experience with Riyadh.
- Brass Monkey combines both the old & new schools of entertainment. A place where guests can relive their memories and feel young again, no matter how old they are.

Brass Monkey has been established in 2020 in Dubai, and it is the first of its kind in the Middle East

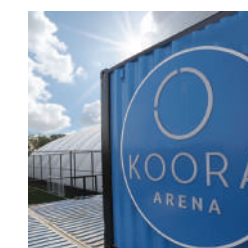
Sky Zone Trampoline Park



- In a step to transfer the traditional entertainment to higher levels, Al Hokair Group obtained “Sky Zone” franchise and introduced it for the first time in Saudi Arabia. Sky Zone is the first indoor trampoline park nominated as the best place for exercising with an innovative top-notch concept, and it is the best place for holding parties.

Al Hokair obtained “Sky Zone” franchise and introduced it for the first time in Saudi Arabia

Koora Arena



- It is the first of its kind private indoor facility that offers multiple sports in Jeddah, based on a unique concept with a giant innovative dome structure that encompasses an indoor multi-sporting facility for both males and females at an area of 5.000 sq. m., and it is open all year round.

“Koora Arena” the first private multi-sport indoor community sports facility in Jeddah

Al Hokair Time



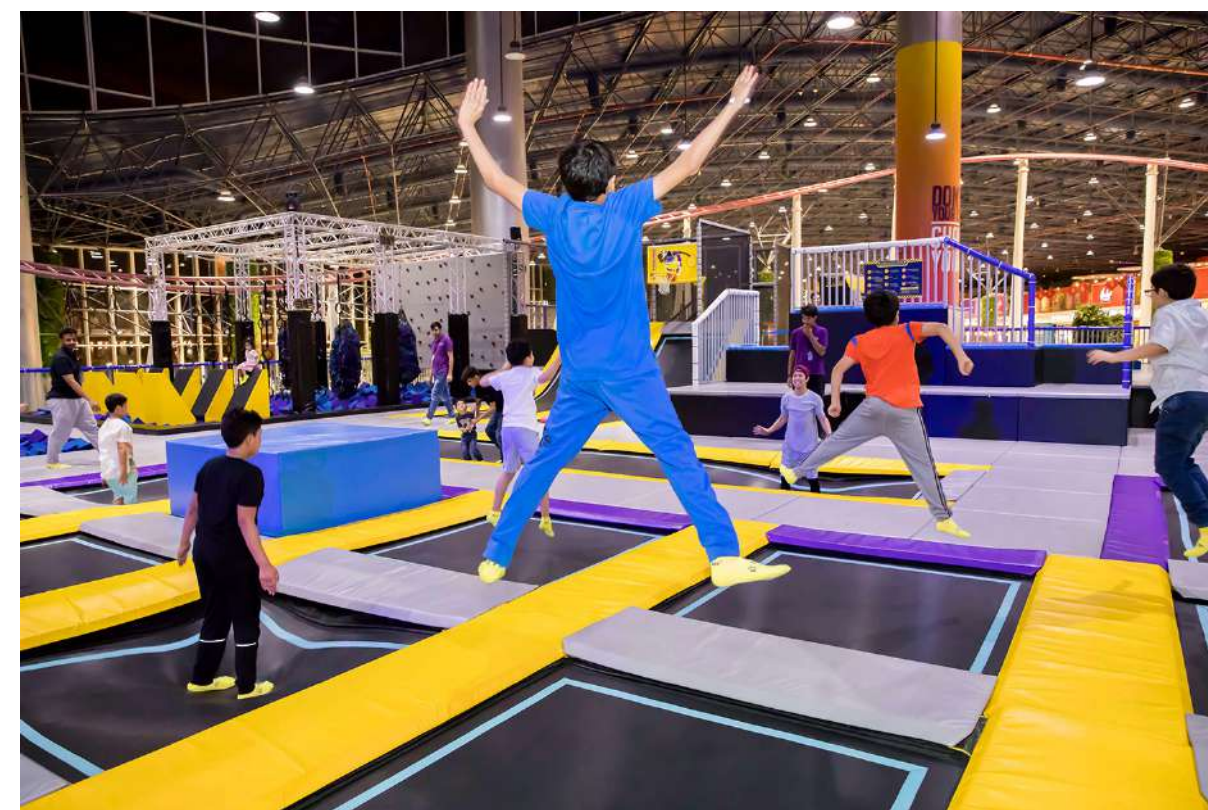
- Al Hokair Time represents a whole new innovative concept in entertainment centers, with three leading brands Sparky's, Snowy Forest, Sky Zone Trampoline, Toy Stores, Food and Beverage Shops and world-class restaurants.



Fun Time



- Fun Time is the ultimate destination for all the entire family, where they can enjoy a wide and diverse range of the Arcade games, ride games and the best pizza in town. Not only that, at Fun Time, you can celebrate your birthday with friends and family, all under one roof. In Fun Time, we aim to create positive memories that would last a lifetime with your family, through fun, games and delicious hand-made pizza, in addition to one of a kind unmatched gaming experience.



1-7 Partners and Affiliates

S	Affiliate Name	Capital	Company Ownership %	Main Activity	Place of Operation	Place of Incorporation	Shares issued by Company	Debt Instruments issued by Company
01	Sparky's Land Amusement Toys	AED 150.000	99%	Games and Entertainment	UAE	UAE	N/A	N/A
02	Asateer for Entertainment and Tourism	EGP 100.000	99%	Games and Entertainment	Egypt	Egypt	N/A	N/A
03	Osool Al Mazaya Hotels	SAR 100.000	85%	Games and Entertainment	KSA	KSA	N/A	N/A

1-8 Competitive Advantages

In 2022, the Company has introduced a number of new and diverse products and services in both hospitality and entertainment sectors. In 2023, the Company is targeting new sectors in order to diversify its activities, with special focus on creating an integrated mix between both the entertainment and hospitality sectors to attract more clients, by the provision of diverse and integrated services in light of the main sectors which represent the Group activities.

Al Hokair Group enjoys multiple competitive advantages, compared to its peers, in light of the economic activities that focus on the main sectors. In this respect, we may sum up the points of strength of Al Hokair Group in the following points:

1. The diversification of the high quality services provided in both entertainment and hospitality.
2. Achieving integration between both entertainment and hospitality sectors to ensure the retention of the Group clients.
3. Ensuring the clients satisfaction and content with the services provided and winning their confidence.
4. Opening communication channels with the Group clients and receiving their suggestions on how to improve the Group provided services.
5. The geographical distribution and the Group expansion in lots of locations inside and outside the Kingdom to ensure access to a large client base.



02

Strategic Report

Launching Towards the Future

(2) Strategic Report

Launching Towards the Future

2-1 Our Strategy (Wujuhat)

Al Hokair Group adopts a strategy that mainly focuses on restructuring owned assets including hotels and entertainment centers and assessing them periodically and effectively. Further, the Group implements its approved strategy "Wujuhat" aiming to enhance its pioneering status in the market at the level of all sectors, through:

- Transformation and growth in the main business, including re-centering on the hospitality and leisure sectors by focusing on developing the Company main sites and services in line with the expectations of our customers and the market, and in a way that contributes to supporting its financial performance.
- Expansion in areas that are close and stimulating to the current business, such as external catering, movie theaters, in addition to diversifying sources of income by entering into new promising fields of work, such as sports activities, and being keen on achieving integration among activities, as much as possible.
- Enhancing the Company internal capabilities and potentials, including developing models of the main business and operations, developing human cadres' skills and competencies, adopting the latest technical and digital systems and applications and building strategic partnerships.



2-2 Future Outlook

The Group continuously works on introducing new initiatives focusing on several main pillars generally related to the business development plans, diversification of its revenues and enhancement of profit margins by boosting the effective and efficient operation and the constant assessment of the performance of current projects.

1) Planning for Business Development:

-The Group aims to concentrate on renovating its hotel portfolio, with a special focus on the main cities and restructuring the services provided to the targeted customers segments in line with the latest developments in the field. As for the entertainment, the Group aims to attract the entertainment activities and ideas that pace up with the latest changes and trends in the local market, to offer entertainment options that are suitable for all ages while building strategic partnerships with international entities to benefit the most from the best practices.

2) Enhancing efficiency and proficiency in operational and administrative aspects:

-The Group aims to increase its profitability by enhancing relations with vendors, which led to the unification of its contracts with

the main wholesale vendors. Therefore, the said step shall result in getting rid of the broker commission, providing additional discounts and investing in the human capital, through the recruitment of efficient employees, provision of employees training, establishment of central/ combined departments and unifying their operations and procedures, and development of operational standards in the management of day-to-day operations. In addition to updating its organizational structure and enterprise resource planning (ERP) software, which is expected to sustainably save the human power costs in the future.

3) Constant Assessment of Projects:

- The Group regularly assesses its projects and studies any new options for the renovation and update of such projects in line with the market requirements to maintain its quality and competitive edge. It also studies the exit options in case of the lack of any financial feasibility from continuing on site.

Furthermore, the Group has recently completed the amortization of its accumulated losses by restructuring its capital, in accordance with the provisions of the Companies Law.



2-3 Aspirations in 2023

The Group shall continue its efforts for the development of business and enhancement of profit margins, and shall further continue to raise the operational efficiency in 2023, through the initiatives that aim to develop performance and provide more services to its clients in all sectors. The Company shall also adopt many initiatives to promote its operational processes and to achieve integration between all of the Group sectors.

Al Hokair Group expects that both the entertainment and hospitality service sectors will recover from the impacts of the COVID-19 pandemic during the upcoming period to reach the pre-pandemic levels. Therefore, the performance of the companies operating in the field of consumption services shall continue its enhancement, in general, as the Group is progressing with steady steps in line with its approved strategies for the sake of continuing the planned growth in the market, enhancing its profit margins,

and thus achieving the best services in the upcoming period.

Positive results are expected in the near future, as the next year is anticipated to become a substantial and important year for the Group and the entire sector. The Company also aspires to continue its growth towards achieving better results over the upcoming periods, God's Willing.

2-4 Challenges and Opportunities

The biggest challenges that the Group faced in 2022 was overcoming the after effects and passive consequences of the COVID-19 pandemic, all over 2020 and 2021. The said effects extended to 2022, and negatively affected the outcomes of most companies, which were affected by precautionary and preventive measures and the wide closures of most of economic activities related to gatherings, including both hospitality and entertainment activities as well as commercial malls and restaurants.

In 2022, the Company started to take a number of measures; most importantly,



the Group capital reduction, which led to the amortization of accumulated losses to reach (0%) and this marked the strong comeback of the Company following the amortization of such losses at the end of Q2 of 2022. Afterwards, the recovery started by Q3 of the same year, which indicates the Company's return and correcting its path, with high potentials that 2023 shall present transformations in outcomes, compared to the previous year.

Since the Group aims to continuously achieve profitability, thus the Company has decided to exit from some hotels in light of the re-assessment of such hotels, and how effective they are in developing the activity. The Company further seeks to geographically expand inside and outside the Kingdom, which might seem to be conflicting objectives, and working on both in parallel requires exerting massive efforts. At the same time, meeting the third objective with regards to the distribution of profits might even obstruct the above two objectives, yet it is not impossible.

As a matter of fact, the anticipated transformation of the Group in 2023, which

synchronizes with the ongoing changes in the market and in line with the Kingdom's Vision 2030, requires the Company to pace up with such changes in order to maintain its pioneering position in both hospitality and entertainment sectors. To pace up with such changes, the Company needs to seize the available opportunities, to create investments in the form of expansions and developments, including the development of existing branches, whether hotels or entertainment centers, which is called the vertical development, and such shall contribute to enhancing the services provided to clients.

Within the framework of our development of both the hospitality and entertainment sectors, we consider a number of important matters, led by sustainability, innovation and human capital development, while focusing on the positive changes which can only be achieved by investing in the golden triangle (time, experiments and experiences), to pace up with the speedy developments and changes, and to effectively participate in drawing a better future for the sectors in which we operate, all over the Kingdom.



2-5 Current and Future Risks

“Al Hokair Group” is working in an economic environment with accelerating changes, in which the Group may be prone to a set of risks that have undesired repercussions on the Company’s activities, business continuity, profitability, and financial status.



2-5-1 Operational Risks

Termination or Non-renewal of the Company Licensing and Management Agreements:

Such risks may include the conflicting interests or the interests that may not be in line with the Company’s interests that the prominent licensors or operators, or groups of them, may have, which may lead to the licensors or operators withdrawing from their existing agreements with the Company. With regard to the management agreements, the operator who manages the hotel may terminate the agreement in the event of a material breach by Al Hokair of its obligations. The Company shall obtain and maintain the necessary permits, licenses and regulatory approvals in relation to its activities in the hospitality, hotels and entertainment sectors.

To handle this risk, Al Hokair largely abides by its obligations towards such agreements, while ensuring that the necessary permits, licenses and regulatory approvals are obtained.

Termination or Non-renewal of the Company Lease Agreements:

The Company has entered into lease contracts with other parties in their capacity as the owners of the leased properties. These contracts are connected to the Company hotels and entertainment sites. Accordingly, the Company does not own any of the real estates related to its hotel or entertainment business.

Success of New Projects or Sites Established by the Company:

The Company strategy is to continue expanding its business in the hospitality and entertainment sectors in the upcoming years,

by inaugurating new hotels in the Kingdom and opening new entertainment sites in both the Kingdom and the United Arab Emirates. The establishment of such new projects or centers may face many challenges and obstacles, such as finding new distinguished sites at competitive prices, reaching the best contractual terms, and the Company ability to prepare these sites within the time specified for the project or site.

Company Transactions with Related Parties:

The Company has entered into a number of transactions with related parties, and these transactions are represented in the lease contracts of hotels and sites managed and operated by the Company in addition to administrative offices, staff residences, and a number of service contracts provided by related parties.

The Company follows the most strict ways in selecting contracting parties, whether related parties or others, to achieve the utmost possible benefits for the Company. Such method was reflected on reducing the value of a large number of contracts in 2022, upon renewal.

Company Provision of Appropriate Maintenance of its Assets, Systems and Infrastructure:

The Company success depends on its ability to maintain the safety and maintenance of all its assets, including hotel and entertainment sites. The Company also depends on the information systems, electronic support and service providers in connection with communication devices and services, including broadband services.

● **Ability to Rent, Own and Develop Related Sites:**

The Company success in the field of hospitality and entertainment depends on the availability of suitable sites and the Company ability to rent these sites on suitable commercial terms.

● **Expiration or Non-renewal of the Company Licenses and Permits Risk:**

The Company shall obtain and renew the necessary permits and licenses in relation to its activities in the hospitality, entertainment and restaurants sectors. The Company shall seek to obtain and renew such permits and licenses.

● **Health and Safety Risk:**

The Company sectors are facing some health and safety risks, which may have a negative impact on the Company outcomes and operations. The Company follows the utmost safety standards in dealing with all its operational sectors, whether the hospitality or entertainment sectors.

2-5-2 Funding Risks

● **Bank Commission Rate Risk:**

Commission rate risks are the risks related to the fluctuation of the value of a financial instrument as a result of changes in commission rates prevailing in the market. The Group is subject to commission rate fluctuation risks in connection with its commission-related requirements. To

counter such risks, the Company manages its exposure to commission rate risks by maintaining loan levels at constant floating commission rates at appropriate levels and through regular supervision of commission levels.

● **Credit Risk:**

The Group mitigates its own credit risks and the customers' credit risks by setting credit limits for each customer, and monitoring outstanding receivables.

● **Currency (Foreign Exchange) Risk:**

The Group is subject to fluctuations in foreign exchange rates in the normal course of its business, as the Group deals in foreign currencies, in particular the United Arab Emirates dirhams, US dollars and euros. However, the Group is not subject to any substantial currency risks as the Saudi riyal exchange rate is pegged against the US dollar, and balances in other currencies do not represent any significant currency risks.

● **Liquidity Risk:**

Liquidity risks are the difficulty that the Group faces in raising funds to meet its obligations regarding its financial instruments. Liquidity risks emerge from the Group inability to sell any financial asset quickly at an amount close to its fair value. The Group manages to mitigate its liquidity risks by ensuring that the necessary bank facilities are available.

2-5-3 Marketing Risks

● **Competition Risk:**

The Company faces competition from local or regional providers of hospitality and entertainment services. Some may have huge financial and operational resources supporting them. The competition may lead to a reduction in prices and profit margins, which may negatively affect the Company business, outlooks, financial position and operations outcomes.

In order to counter such risks, the Company provides high quality services that are suitable for targeted segments, in addition to dealing with costs effectively to increase the benefits of the Company competitive services.

● **The Kingdom's Economic Performance Risk:**

Any fluctuations in oil prices directly affect the Kingdom's economy, and accordingly other economic sectors, including hospitality and entertainment sectors in which the Company operates. Such shall affect the Company performance, as the Kingdom's GDP is closely linked to the outcomes of the oil sector, thus, the sharp decline in oil prices may negatively affect the Company outlooks and operations outcomes.

● **2-5-4 Cyber Security Risks**

The Company may be prone to cyber attacks, which may range from simple and fraudulent practices to more complex attacks. However, the Company follows the utmost safety standards in its digital dealings according to

a comprehensive strategy to tackle the risks of cyber attacks.

● **2-5-5 Geopolitical Risks**

The political instability in the neighboring countries or the region has negatively affected the Kingdom's economy and, consequently, the Company clients and operations. Yet, the Company expansion in several countries shall lead to the mitigation of such risks.



03

Operational Performance
Transformation towards Growth

(3) Operational Performance

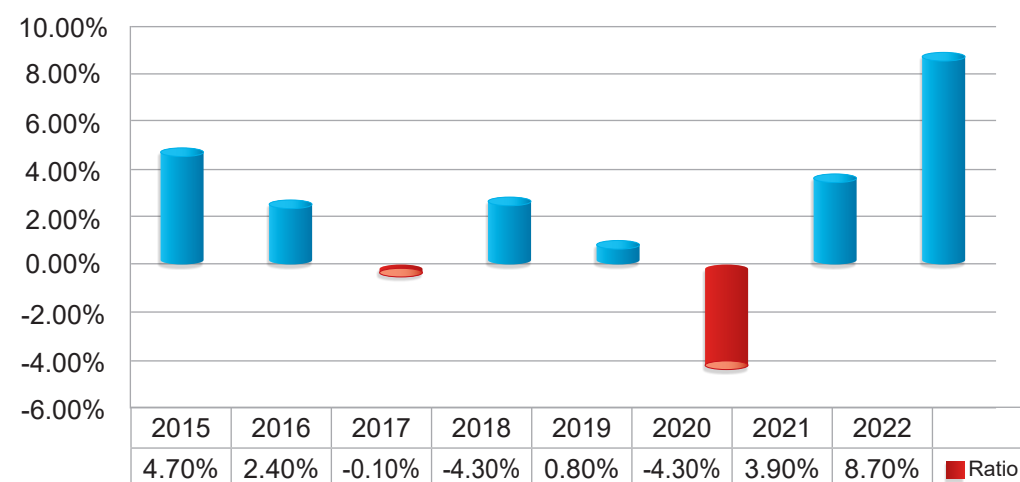
Transformation towards Growth

3-1 Business Environment and the Kingdom's Vision 2030

The Kingdom's Vision 2030 has become the real drive behind all aspects of the Kingdom economy, with all its structural and economic reforms that positively reflected on the quality of life of both national and non-nationals alike and on the services provided to them, in accordance with the Vision 2030.

Generally speaking, the Kingdom economy managed to fully recover from the consequences of the COVID-19 pandemic during 2022, manifested by the actual GDP Growth rates, which increased by 8.7% in 2022, compared to 3.9% in 2021.

GDP Growth in the Kingdom



Such development has reflected on the performance of Al Hokair Group, as the Company benefited from the higher growth rates, specially in the non-oil sector, being the focus of the Kingdom development plan 2030 which has performed well in 2022, registering a growth of 5.4%.

The higher growth rates have affected the economic status of all economy's components including all individuals and

economic entities like Al Hokair Group. At the time of higher growth rates, companies usually benefit from lower inflation rates. Despite the inflation waves that hit various countries all over the world, the Kingdom has managed to control the same and to protect its nationals. Hence, the Consumer Price Index (CPI) has decreased to 2.6% in 2022, compared to 3.1% in 2021. Such lower inflation rates have actually supported both the tourism and entertainment sectors, the main business sectors of Al Hokair

Group, specially that the State has given much care to both sectors, with the launch of a number of tourist destinations over the last year, side by side with advertising entertainment cities. That, in addition to the size of huge investments in both sectors, which the State has declared more than once, symbolizes a promising and prosperous future for both sectors, and accordingly, for Al Hokair Group being one of the leading companies in this field.

Needless to say that this has coincided with the government's steady progress on the path of economic and structural reforms aiming to enhance the economic growth and financial sustainability, by raising the efficiency and effectiveness of expenditure and financial control, in light of the economic status which the entire world has seen across all levels.

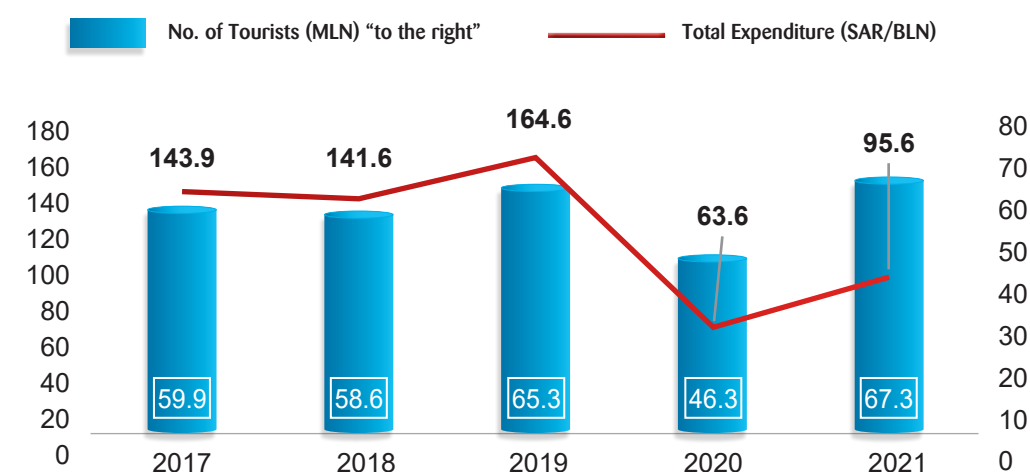
Such higher expenditure, compared to other countries, has widely affected Al Hokair Group status and performance, having benefited from the infrastructure projects carried out by the Kingdom's government in the fields of transport, roads and bridges. The government has also focused on the construction of squares, parks, railways and railway stations. Therefore, the Company has also benefited from

the government expansion and providing utilities to new areas, specially the municipal services sector, the thing that shall help the Company in expanding its future plans.

Tourism Sector .. Galloping Boom to Attract Investments:

The tourism sector, being one of the most important potentials of the Kingdom's economy, has seen a massive boom in light of the Kingdom's Vision 2030, which, in turn, contributes to making the country more open to the World. In 2022, this sector has further seen a number of accomplishments, including launching a campaign for raising awareness of the Kingdom as an international tourist destination, which has contributed to enhancing the Kingdom's global status.

Such efforts led to a rise in the number of tourists in the Kingdom to about 67.3 million tourists in 2021, compared to an average of about 59 million tourists over the last 5 years. However, in 2020, such figure has remarkably decreased to 46 million tourists as a result of the outbreak of the COVID-19 pandemic, yet, increased once again in the following year, thanks to the local tourism which hit a record high in 2021, as shown in the following chart:



In this respect, the extensive efforts exerted gave way to the creation of a number of tourist attractions, to attract visitors from all over the world. Al Hokair Group has benefited from such tourist attractions by offering its services and products, specially hotel services, and attracting clients by different means of marketing. Al Hokair Group has also covered a wide span of the Kingdom cities, which has increased the Group sales and profits, having established itself as one of the most prominent tourist entities in Saudi Arabia.

The huge economic expenditure in the Kingdom has strongly pushed Al Hokair Group forward, since it is well known that the positive effects of government expenditure do extend to the private sector. Accordingly, the Company has benefited from the huge government expenditure by expanding its projects in new areas, prepared by the Kingdom government, in addition to enhancing its presence in the already existing tourist areas that have been renovated.

For the first time in history, Saudi Arabia has introduced tourist visas, which allowed people from all over the world to visit the Kingdom all along the year by virtue of the new laws. According to the laws on visas, whose validity term is one year, a tourist may carry out various visits to the Kingdom, which may not exceed 90 days for any one visit. The citizens of 49 countries will benefit from the first phase of the visa system, expected to represent 80% of the international travel expenditures, and 75% of the entertainment trips across the world in 2030.

It should be of worth here to mention that the government has given special attention to the religious tourism. Hajj is the

cornerstone in the incoming tourism, and the tourists who have been vaccinated, arriving in the country as of H2 of 2022, onward, are expected to enhance the religious tourism.

In fact, the return of religious tourism shall increase the rates of hotel occupation, which in turn provides a great opportunity to Al Hokair Group to offer its various services and thus attract the biggest segment of them, specially in Jabal Omar Marriott Hotel - Makkah, which the Company has leased form "Jabal Omar" Development Company. The hotel is best known for being close to Makkah Sanctuary and for its excellent view. This hotel is also one of the most luxurious 5-star hotels in Makkah Al Mukarramah.

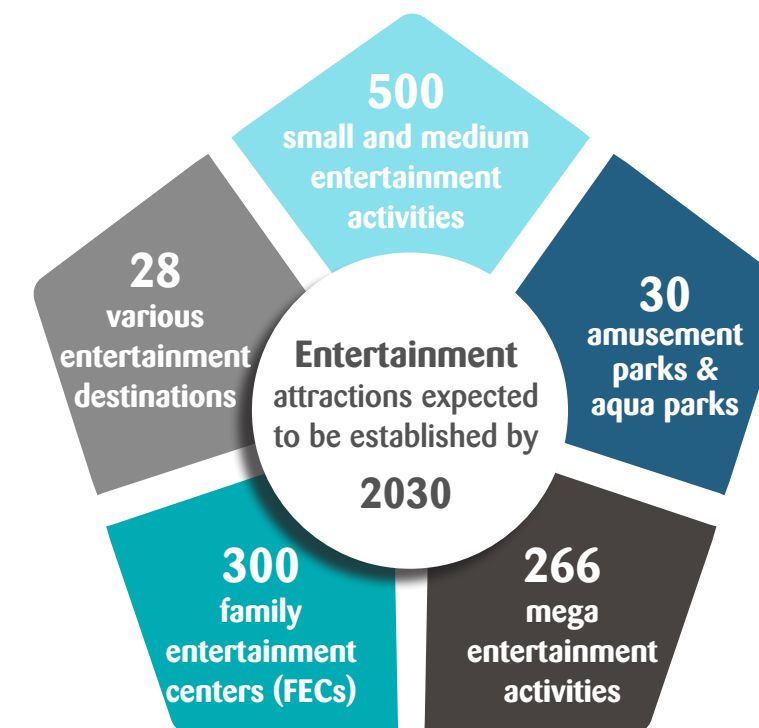
Entertainment Sector .. Quality of Life from an Economic Perspective:

The entertainment activity is one of the most important activities of Al Hokair Group. The Company has greatly benefited from the boom this sector has witnessed in the Kingdom. Stemming from its will to develop and diversify the entertainment opportunities to meet the requirements of residents, Saudi government has placed a priority on the entertainment activity in the Kingdom's Vision 2030. Therefore, the Kingdom has continuously worked on developing the entertainment sector, providing various and comprehensive entertainment options, to enrich the experience of individuals, promote the quality of life and develop economy. The Kingdom is further seeking to develop the entertainment sector with an annual growth rate of 18% to reach USD 9.6 billion by 2030.

Considering that the Kingdom has already launched 11 entertainment seasons; therefore, Al Hokair Group may boost its stance in the market through its strong presence in such seasons, by offering its various activities that target all family members.

Indeed, the investments targeted by the Saudi government shall drive the Company's growth on both the long and mid-terms. The size of investments required for building the suitable infrastructure for the entertainment sector amounted to

USD 57 billion by 2030. Again, Al Hokair has benefited from the same through the provision of the infrastructure costs for its future project or expanding its current projects to maximize its financial profits.



All over, the family entertainment centers (FECs) market is expected to rise from \$ 290 million to \$ 850 million by 2030. Such growth shall provide great investment opportunities for Al Hokair Group in a number of infrastructures attractive to consumers with reduced capital expenditure (CapEX). Aqua parks market is expected to grow from \$ 90 million to \$ 560 million by 2030, which shall create partnership opportunities with the government in the field of infrastructure with high CapEX.

Moreover, the Company has gained huge momentum, backed by the Kingdom's intention to enhance both the entertainment and culture sectors by enacting new rules and regulations, let alone the fact that the government hails the private

sector's participation in the development of infrastructure, holding events, creating content and building capabilities in this sector.

This shall pave the way for creating a competitive environment in which the Company can develop itself, provide more services to all family members and take up the biggest share of the local market. Furthermore, the demographic channel the Kingdom enjoys and the rapid growth in young population shall increase demand on FECs, since more than 50% of the Kingdom's population are under 30 years of age.

Broadly speaking, the infrastructure development, the enhancement of entertainment and leisure sectors

and the government initiatives, including reducing visas, are expected to increase demand on FECs. Al Hokair Group shall thus be required to pace up with such demand, and to attempt to meet the biggest part thereof in order to achieve higher profits and to further establish the Company status in the entertainment sector.

In 2023, the Kingdom aims, overall, to provide 834.000 jobs in the tourism sector, create career and job paths of about 1,6 million direct and indirect jobs, raise the tourism sector contribution to the GDP to 5.2%, reach 83.1 million tourist visits, and raise the total tourist expenditure to SAR 264 billion by the end of 2023.

3-2 Activities and Sectors

Al Hokair Group is widely spread inside and outside the Kingdom, whether at the level of hotels, entertainment centers or other various economic activities. This map is continuously expanding year after year, supported by the expansion policy adopted by the Group to establish its presence in different countries by the provisions of the best high quality services and products, to achieve the highest revenues for the Company, which shall, in turn, contribute to further expansions at a wider scale.



The fact is that the Company mainly focuses on the main activity sectors, and continuously seeks to support such activities by building new investment arms, to provide non-stop earnings which shall magnify the strength of the Group's financial status on one hand and shall protect the Group against any potential risks or crises

on the other.

During Q2 of 2022, the Company has closed down a number of unfeasible projects and entertainment centers and has excluded the assets thereof with losses at a net book value (NBV) of SAR 19 million. Let alone, the decrease of hotel occupancy which, in turn, affected the earnings of the said quarter.

[A] Hospitality Sector

We may safely say that the Company has occupied a prominent position in the hospitality sector in the Kingdom, due to the diversification of hotel management and operation methods. As the Company manages and operates a number of 3,4 and 5 star international hotels, in addition to operating some hotel apartments and tourist resorts. Hospitality is one of the Company's biggest source of income.

1) Hotels:

The Company has leased and managed 29 hotels and tourist resorts in 2022, and managed 4 hotels only; namely AlBilad Hotel, MENA ApartHotel - Dubai, MENA Plaza Al Barsha Dubai, MENA Hotel – Dammam, all registered under trademark of "MENA" owned by the Company.

Worth noting that the hotels, the Company leases and manages, are linked to luxurious international companies and hotels like: Holiday Inn, Hilton Garden Inn, Hilton DoubleTree, Novotel, Novotel Suites, Radisson Blue, Park Inn, Golden Tulip and Tulip Inn.

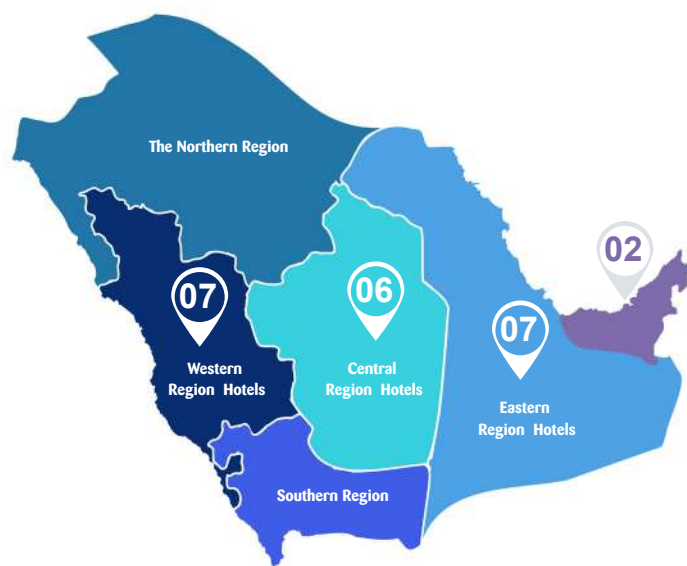


Having established and registered the brand of MENA hotels and resorts among its trademarks, the Company hotels has now come to cover a wide geographic area in the Kingdom and the UAE, being distributed across major cities, including the capital Riyadh, Jeddah and Dammam, in addition to other cities including Hail, Yanbu, Taif, Al Khobar, Dhahran, Al-Jubail, Jazan, Haql and Tabuk.

The Company hotels offer high quality services; a clean environment, a wide range of foods and beverages, a various selection of restaurants, coffee shops, meeting rooms, conference halls, ballrooms and spas, for all Company hotels guests and clients, who come for leisure or business.



Hotels Geographic Distribution



UAE	KSA		
Dubai 2 Hotels	Western Region 7 Hotels	Eastern Region 7 Hotels	Central Region 6 Hotels
MENA Plaza Al Barsha	Holiday Inn Gateway – Jeddah	Holiday Inn Al Khobar – Corniche	Holiday Inn Al Qasr – Riyadh
MENA ApartHotel Al Barsha	Holiday Inn Jeddah Al Salam	Holiday Inn Al Khobar – Al Hoker Group	MENA Andalusia – Riyadh
	MENA Red Sea Palace – Jeddah	MENA Beach Resort – Khobar	MENA – Riyadh
	Al Hamra Hotel – Jeddah	Golden Tulip Al Hokair – Khobar	Golden Tulip Al Nasiriah – Riyadh
	MENA – Taif	Novotel – Dammam	Novotel Suites Riyadh
	Novotel Yanbu	Golden Tulip Suites – Khobar	Golden Tulip Hail
	MENA Tabuk	Golden Tulip – Al Jubail	

2 Hotel Apartments:

The Company manages and operates hotel apartments in Saudi Arabia and the UAE,

to provide the standard residence for long stays. Hotel apartments is but a small part of the hospitality sector.



[B] Entertainment Sector

Needless to say that along with the hospitality sector, the entertainment sector is one of the main pillars of Al Hokair Group. On 31/12/2022, the Company's entertainment sites and those of its sisters and affiliates covered a wide geographical span across the Kingdom, in more than 17 cities in the Kingdom, with 51 entertainment centers in Saudi Arabia, 9 entertainment centers in the United Arab Emirates (UAE) and 2 entertainment centers in the Arab Republic of Egypt (A.R.E). This number includes the Company centers and the centers of its sisters and affiliates.

Furthermore, the Company has built strategic relations with the shopping malls major developers, including Arabian Centers, Al Rashid Trading and Contracting

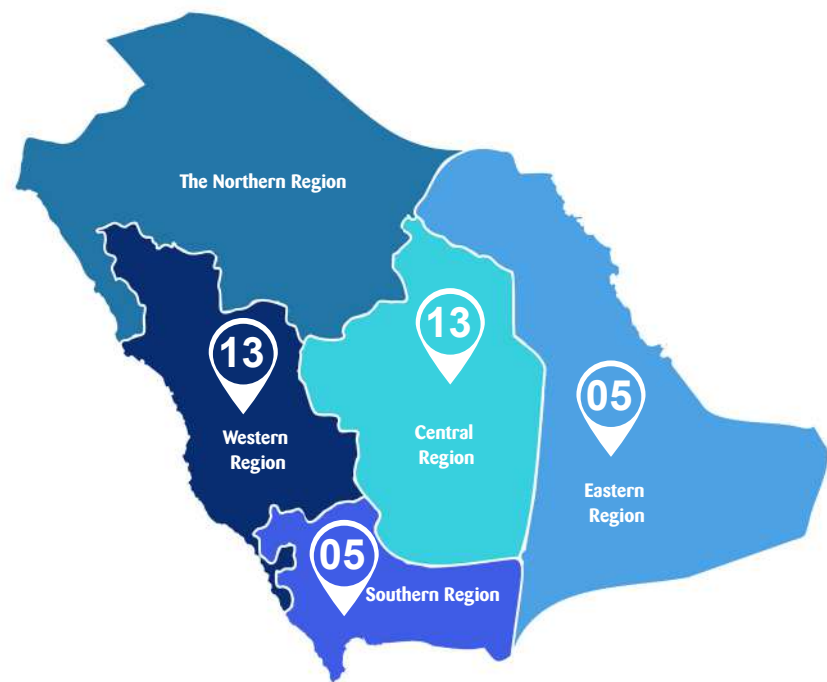
Company (RTCC), Kinan International Real Estate Development Co. and Mohammad Al Habib Real Estate Co. to help the Company open entertainment centers in the leading shopping malls in major cities including Riyadh, Jeddah and Dammam, in addition to other cities including Abha, Al Ahsa, Hail, Tabuk and Taif.

The Company has 62 FECs, covering a wide geographic span, in 17 cities in the Kingdom, 4 cities in the UAE and A.R.E.

Being mostly located in shopping malls in major cities including Riyadh, Jeddah and Dammam, in addition to other cities including Taif, Jazan, Abha and Tabuk, such family entertainment centers (FECs) provide entertainment games and rides for kids and youth, in addition to games that are suitable for adults.

Central Region	Eastern Region	Western Region	Southern Region
13	5	13	5
Sparky's Salam Mall	Sparky's Dhahran Mall – Al Khobar	Sparky's Red Sea Mall Jeddah	Sparky's Al Azzam – Najran
Sparky's Panorama Mall	Sparky's Qurtubah Al Khobar	Sparky's Arab Mall Jeddah	Sparky's Al Hokair Time – Jazan
Sparky's LuLu Riyadh Avenue	Sparky's Al Jubail Al Anbaa	Sparky's Andalus Mall – Jeddah	Sparky's Al Rashid Mall – Jazan
Sparky's Nakhil Mall	Sparky's LuLu Al Jubail	Sparky's Aziz Mall – Jeddah	Sparky's Laser Tag Al Rashid Mall – Jazan
Sparky's Al Rabwa Mall	Sparky's City Mall Qatif	Sparky's Roshan Mall – Jeddah	Sparky's Bowling Al Rashid Mall – Jazan
Sparky's Al Hamra Mall		Sparky's Al Hokair Time Mall – Madina	
Sparky's Fursan Plaza Al Kharj		Sparky's Al Rashid Mall – Madina	
Sparky's Al Quwaieyah		Sparky's Al Manar Mall – Madina	
Sparky's Al Hokeir Time Al Qassim		Sparky's Al Hokair Time– Makkah	
Sparky's Riyadh Gallery		Sparky's Jouri Mall – Makkah	
Sparky's Al Dawadmi		Sparky's Al Hokair Time – Taif	
Sparky's Laser Tag Panorama Mall Riyadh		Sparky's Laser Tag Red Sea Mall – Jeddah	
Sparky's Bowling Panorama Mall Riyadh		Sparky's Bowling Red Sea – Jeddah	

Sparky's in KSA



Sparky's Outside KSA



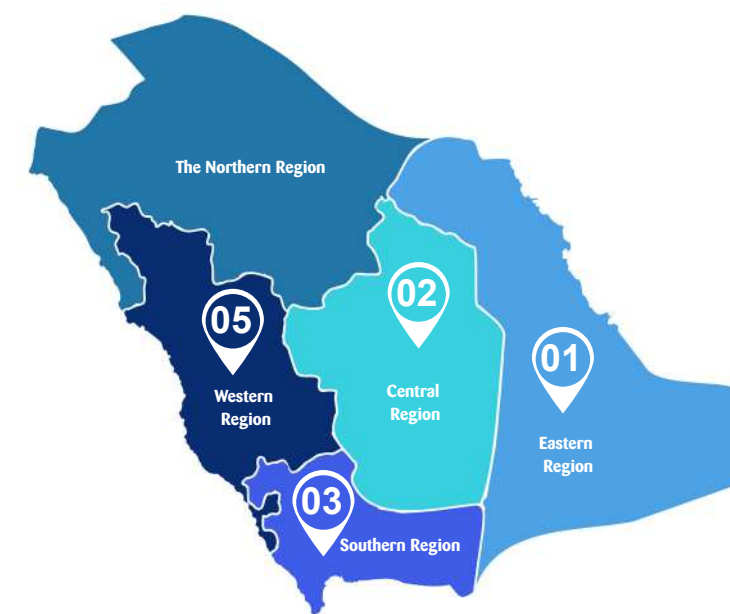
UAE	Egypt
8	2
Sparky's Khalidiyah Mall	Sparky's Mall of Arabia
Sparky's Mushrif Mall	Sparky's Tanta Mall
Sparky's Makani Mall	
Sparky's Al Foah Mall	
Sparky's RAK Mall	
Sparky's LuLu Mall	
Sparky's Khalidiyah Bowling	
Sparky's Al Foah Bowling	



Despite the fact that entertainment rides and games may differ from one center to the other, yet in general, all centers offer electronic games, and activities including

plastic balls game, trains, moving vehicles for kids, spinning vehicles, bumper cars, hydraulic vehicles, climbing walls and water games.

Snowy Forest in KSA



Central Region	Eastern Region	Western Region	Southern Region
2	1	5	3
Snowy Forest Al Makan Mall - Riyadh	Snowy LuLu – Al Ahsa	Snowy Forest Al jamaa Plaza - Jeddah	Snowy Forest Rashid Mall - Jazan
Snowy Forest Al Thumamah - Riyadh		Snowy Forest Red Sea Mall – Jeddah	Snowy Forest Azaan Plaza - Sabyah
		Snowy Forest Al Hokair Mall – Taif	Snowy Forest Al Hokair Time – Jazan
		Snowy Forest Al Hokair Time – Jeddah	
		Snowy Forest Al Hokair Time – Madina	



In fact, the Company always seeks to create an attractive environment for clients, and to provide fun to all family members during their visit to its FECs. For years now, the

Company has provided many new games within the FECs having created centers with the latest games in the global markets.

Sky Zone in KSA

9
Sky Zone, Al Hokair Time, Al Rabwa - Riyadh
Sky Zone, Al Takhassousi - Riyadh
Sky Zone, Aziz Mall – Jeddah
Sky Zone, Roshan Mall – Jeddah
Sky Zone, Al Hokair Time – Makkah
Sky Zone, Al Hokair Time - Taif
Sky Zone, Al Hokair Time – Medhinah
Sky Zone, Al Hokair Time – Jazan
Sky Zone, Al Hokair Time - Qurtubah

Al Hokair Group also owns other entertainment centers in other sites providing various entertainment activities under well-known trade names, including the famous: “Splash”, “Brass Monkey” and “Extreme”.



[C] Restaurants Sector

The Company has recently developed the restaurants sector in order to take over a unique market stake of such activities and to provide a competitive edge. The above shall secure the Company a prominent position among the pioneers of this industry, specially that the outlooks open wide vistas for development and excellence in light of the openness policy, specially focusing on entertainment in line with the

Saudi Vision 2030. Therefore, the Company has sought to obtain a group of international trademarks, in addition to some of the trademarks that have been locally updated and developed.

The Company's restaurants are widely spread in more than 5 major cities in the Kingdom. The Company now has 18 restaurants inside or outside the Company's locations, which serve a wide selection of foods with a contemporary twist, to meet the requirements of its clients; namely:



1. The Company signed a franchise agreement with Pezzo restaurants and 2 branches were opened inside entertainment centers and Al Hokair Time. Pezzo is a distinguished brand in the Far East that serves pizza slices in a different way that satisfies the culinary senses of entertainment centers visitors.
2. La Mode Coffee Shop, the latest brand that has been created almost five years

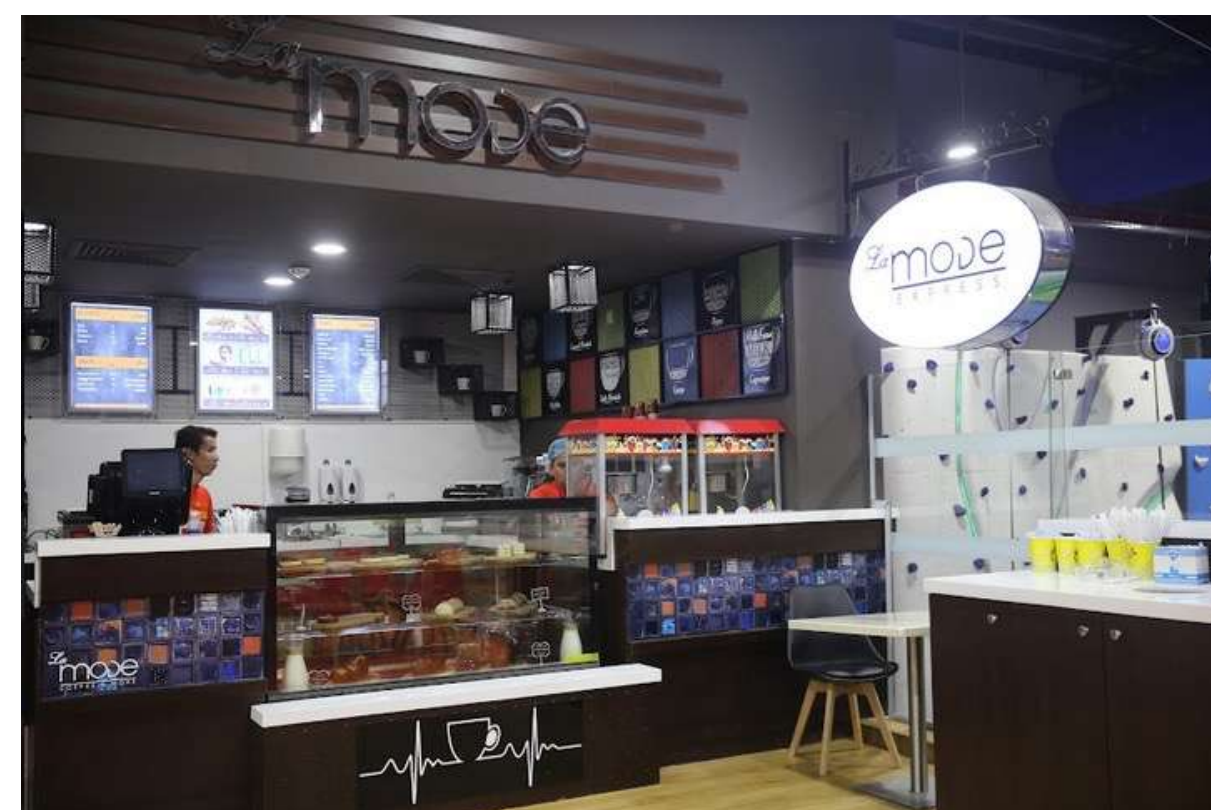
ago. La Mode brand has been restructured to pace up with the development in a unique and contemporary way, it is one of the Company's elite brands, and is based on satisfying all palates of its guests, whether in entertainment centers or hotels. In 2021, La Mode first coffee shop has been opened to independently compete in the markets. Now, 5 La Mode branches have been opened in hotels and entertainment centers across the Kingdom.

3. Fish Market Restaurant offers seafood with an Asian twist, specially a Thai twist, and the restaurant has been widely known for its special taste. Recently, the restaurant has been renovated to always offer the best.
4. SugarMoo, this distinguished brand in deserts and cake industry, has been opened in a modern way marketed on

the internet. Now, there is one branch opened in Riyadh.

5. Nacho Hot has recently opened 9 branches in all areas.

The restaurants sector is currently seeking to attract and create various trading brands to meet the market requirements, specially that the market is wide open enough for such activities.



Al Hokair Group Restaurants and Stores

S	Name	Activity Classification	Activity Headquarters	Activity Status
				2022
01	Fish Market	Restaurant/Store	Saudi Arabia	Open
02	SugarMoo	Restaurant/Store	Saudi Arabia	Open
03	Pezzo - Mall of Arabia	Restaurant/Store	Saudi Arabia	Open
04	Pezzo - Madina	Restaurant/Store	Saudi Arabia	Open
05	La Mode - Mall of Arabia	Restaurant/Store	Saudi Arabia	Open
06	La Mode - Makkah	Restaurant/Store	Saudi Arabia	Open
07	La Mode - Madina	Restaurant/Store	Saudi Arabia	Open
08	La Mode - Red Sea	Restaurant/Store	Saudi Arabia	Open
09	La Mode - Head Office	Restaurant/Store	Saudi Arabia	Open
10	Nacho Hot -Panorama	Restaurant/Store	Saudi Arabia	Open
11	Nacho Hot - Mall of Arabia	Restaurant/Store	Saudi Arabia	Open
12	Nacho Hot - Dareen Mall	Restaurant/Store	Saudi Arabia	Open
13	Nacho Hot - Taif	Restaurant/Store	Saudi Arabia	Open
14	Nacho Hot -Qurtubah	Restaurant/Store	Saudi Arabia	Open
15	Nacho Hot -Dhahran Mall	Restaurant/Store	Saudi Arabia	Open
16	Nacho Hot - Jazan	Restaurant/Store	Saudi Arabia	Open
17	Nacho Hot - Al Takhassousi	Restaurant/Store	Saudi Arabia	Open

[D] Malls

Name of Mall	Location	Name of Mall	Location
Tabuk Center	Tabuk	Al Hokair Time	Madina
Al Hokair Time, Al Rabwa	Riyadh	Al Hokair Time	Taif
Al Hokair Time, Al Malqa	Riyadh	Al Hokair Time	Dammam
Al Hokair Time	Makkah	Al Hokair Time	Jazan
Al Hokair Time	Madina	Al Hokair Time	Madina

Al Hokair Group manages and operates 10 malls as follows:

1) Tabuk Mall:

Al Hokair Mall Tabuk: the mall was launched back in 2004 in Tabuk, which is located in the northern part of the Kingdom. The mall hosts 150 shops and outlets from many international and local brands for both merchants and visitors, like Mango, Mothercare, Citymax and Mikyajy.

The mall also hosts one of the Company's entertainment centers, namely Fun Town Tabuk.

2) Al Hokair Time 9 Malls:

Those malls are located in various regions inside the Kingdom. The Group has opened 3 entertainment centers inside the malls holding the brands Sparky's, Snowy and Sky Zone, in addition to leasing some commercial shops and international brands restaurants.



3-3 Human Resources

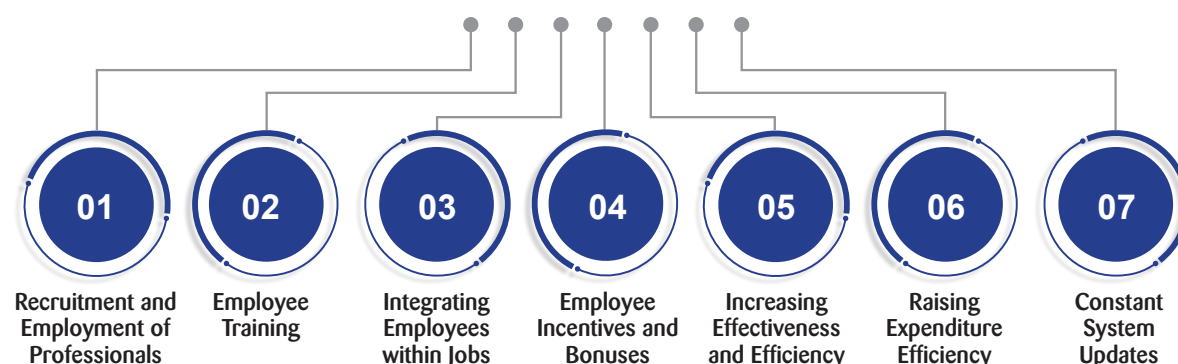
The Human Resources (HR) Department in Al Hokair Group plays an effective role in supporting the various sectors in the Company, whether at the level of initiatives adopted to develop the work systems and enhance the relationship between the employee and the entity, or at the legal level, which aims at laying down a legal framework for different transactions. Moreover, the HR Department is keen to meet the demand on the various HR services to pace up with the growth of population, industrial and urban expansions and huge investments pumped by the Kingdom's government to implement the Saudi Vision 2030.

From this perspective, the Group HR

Department seeks to contribute to enhancing the HR sector inside and abroad, and works through the system of integrated services in order to provide the labor market with national and foreign cadres and professional labor force in the various professions. The Group HR Department aims also to protect the employees' rights while supporting the improvement of jobs nationalization and customer service at the same time.

Within the framework of this vision, and stemming from the HR Department belief in the human capabilities and potentials, a strategic plan has been devised and approved for the provision of a sustainable value for employees and clients alike and to continuously explore the opportunities available for the diversification of services.

HR Department Topics and Action Plan 2022



1) Recruitment and Employment of Professionals

The Company adopts an internal recruitment policy, through the appointment of professionals available inside the Company whenever there are vacant positions in the various Company departments. The Company further outsources professional and experienced staff and high calibers to make the best use of their skills and experiences.

The Company progressively attempts to give priority to the professionals in whom the State has poured its investments; namely, the national graduates from universities abroad, followed by orphans, efficient sons of martyrs, to coincide the employment movement with the corporate social responsibility (CSR).

2) Employee Training

It would be of worth here to mention that the Company has a department specialized in training, and because the Group is already a pioneer in the field of entertainment, trainers were selected from inside the Company, until the entertainment institute has been introduced. The training department visits actual sites and trains employees across the Kingdom. The training includes customer service training, post-sales training and training on the provision of safety and security in different entertainment centers, in addition to first aid training and training on the requirements of children with special needs. Then, a certificate or license "Training License" is issued as the trainee completes the training period and passes the necessary tests.

As for the hotels sector, the training departments inside this sector provide online training to employees on operational aspects. Such training covers all hotel services provided to clients, optimum methods of dealing with clients of different ages and from various nationalities.

%60 of the Saudi youth get family tuition fees (children education)

5) Enhancing Effectiveness & Efficiency

In 2022, the HR Department in the Company has worked on raising the Department's effectiveness and efficiency through the selection of excellent employees and raising their efficiency so that they might duly shoulder their job responsibilities.

The Department intends to enter into bigger partnerships with government entities. For example, the Company intends to join "Waad" initiative launched by the

3) Integrating Employees Within Jobs

The Company is keen on achieving some kind of integration at all levels between employees and their jobs and between employees and their peers from other departments. This is specially achieved in social events in which all employees meet including the National Day, the Foundation Day and other different holidays, in addition to the gatherings held by employees to celebrate retired employees.

4) Employee Incentives and Bonuses

The Company continuously works hard to apply a fair policy for direct payments or other benefits. Today, 60% of the Saudi youth get family tuition fees (children education), and the Company also offers the suitable medical insurance and allowances that are competitive to those offered by peer companies.

The Company indirectly provides special care to the children of distinguished employees, and thus the Group benefits from integrating them within their jobs, retaining them and continuously motivating them.

Ministry of Human Resources, which shall include 10 thousand trainees in 2023 in various Company sectors, whether the old employees, the new ones or fresh graduates in the labor market. The Group also intends to launch special initiatives for the provision of hands-on training to employees, with support from the Human Resources Development Fund (HRDF), to provide professional training courses and to enhance the Group's presence in the government sites.

6) Raising Expenditure Efficiency

Al Hokair Group HR Department aims to achieve highest performance rates at the best possible cost. In 2022, the HR Department constantly sought to raise the expenditure efficiency and to integrate some field jobs, in addition to fairly restructuring salaries.

7) Constant System Updates

The Company is working on a new electronic system, which the HR Department has been trained on, and which is expected to

meet more governance concepts. The said system aims at reducing the work cycle, raising transactions level and reducing discrimination among employees.

It would be of worth here to mention that the HR Department has received a number of awards in 2022, including the Saudization Award being chosen from 10 thousand competing entities. The Group has been honored by the Minister of Human Resources in the presence of a number of the State ministers. Moreover, the Group received a number of awards in community services and charity organizations and societies.



3-4 Labor Force and Employment

The Group largely depends on its labor force, that's why the Company has played an important role in training labor. Let alone the fact that the Group has had a prominent

role in the nationalization of jobs. Actually, the Company is fully committed to the policy of nationalization, having met the set percentage of 30% in employing nationals in all sectors in which the Group operates.

The Company's Policy in Managing Human Resources Depends on Five Pillars with regards to Employment



The Company is hiring around two thousand employees, of which 830 employees are Saudi nationals, representing about 42.20% of the total Company's labor force in the Kingdom. Thanks to the experiences and expertise of its employees, the Company has achieved much of its strength and success. To this end, the Company employees who work in different sectors are subject to various training courses, with the aim of raising the employees' awareness of the best practices in the field of entertainment and hospitality.

The current percentage of the national employees places the Company within the green category, as the current percentage of nationalization in the hospitality and entertainment sector reached about 27.2%, compared to the required percentage of 29% according to Nitaqat Program. As for tourism and entertainment, the percentage of nationalization amounted to 53.6%, compared to the required percentage of 24% according to Nitaqat Program.

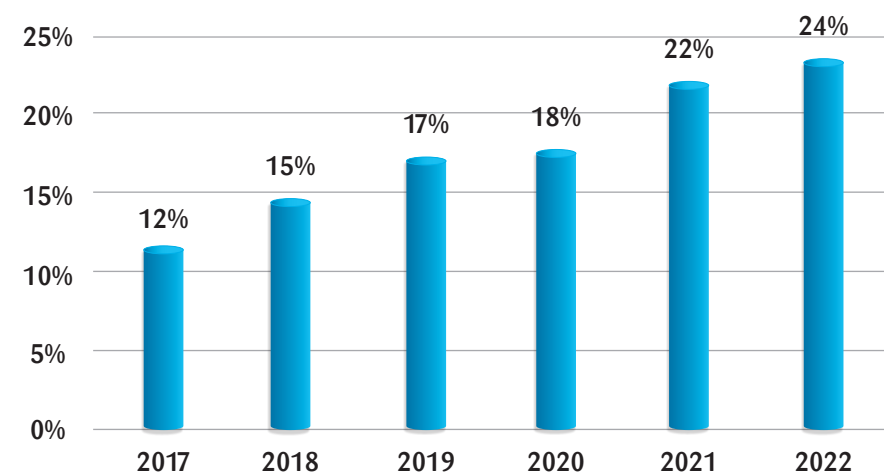
Number of Orphan or Sons of Martyrs' Employees

Sons of Martyrs						Orphans						Total 104
Female			Male			Female			Male			
18			26			23			37			
Western	Eastern	Central	Western	Eastern	Central	Western	Eastern	Central	Western	Eastern	Central	
9	2	7	17	3	6	2	5	16	14	9	14	

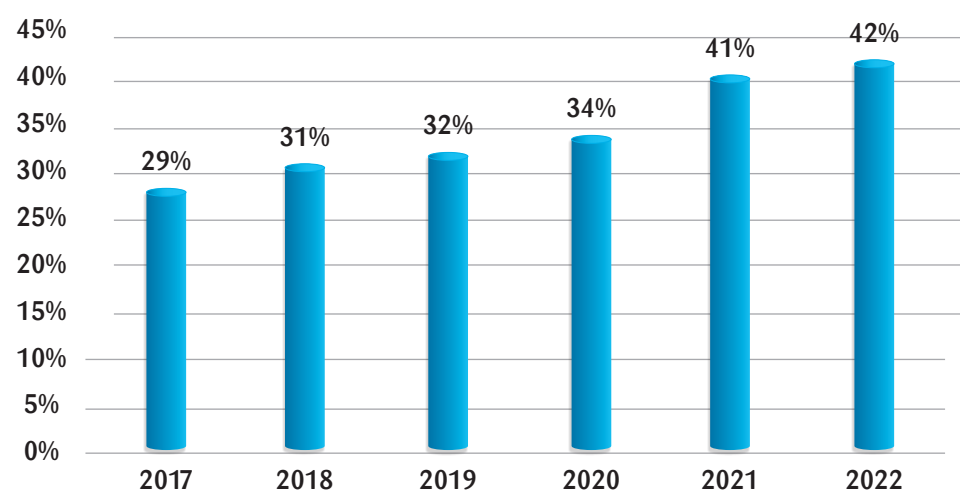
The Company is still fully committed to acting upon the Kingdom's policy on nationalization. That's why the training and development of Saudi skills and capabilities have gained special attention and has been one of the Company's main priorities.

Working closely with the Ministry of Labor in this respect, the Company has applied a comprehensive plan to increase the number of Saudi nationals employed in order to continue on the path of meeting the national objectives.

Female Employees Growth Rate to Company Total Employees



Saudi Nationals Growth Rate to Company Total Employees



The Group HR Department has recruited highly proficient and experienced managers and directors, especially the young and distinguished ones in both the entertainment and tourism academies, to manage the business activities across various geographic regions covered by Al Hokair Group. The Company is committed to the appointment of those who hold high academic degrees and Masters in

the main departments or their branches. Meanwhile, only those who have at least a high school degree are appointed in the operational sectors. As for the cashier jobs, the Company is keen to appoint at least those with a vocational diploma. While in the entertainment sites, the Company seeks to appoint at least holders of high school certificates or higher.

Employees in Company Main Sectors



Stake of Tourism and Entertainment Sector

Stake of Accommodation and Hotels Sector

The Group managed to change the concept of employment in the entertainment sector, including, amusement parks, restaurants and entertainment centers, with the help of its distinguished human resources management, an institute specialized in training labor working in such a vital sector. Nowadays, the Company constantly seeks to recruit open minds inside the entertainment sector, and the proficient and experienced staff who can add value to such a vital sector.

In general, training training systems are managed by MENA Company for Education and Human Resources Development, which is affiliated with Al Hokair Group. MENA Education owns Abdul Mohsen Al Hokair

Higher Institute for Hospitality Training, which is the entity in charge of training Al Hokair Group employees in the hospitality and tourism sectors. Usually, the Company employees are being trained in the Institute for six months to one year as soon as they are appointed, then, the said employees shall return to the Company to take over their duties.

Abdul Mohsen Al Hokair Higher Institute for Hospitality Training provides long term and short term various training courses for its affiliates of the employees of other companies working in various fields including restaurants, hotels, logistics and a number of government entities in the Kingdom.

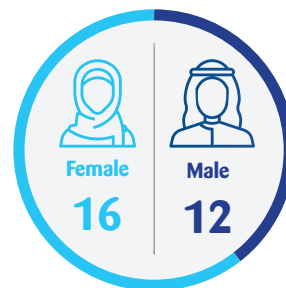
Moreover, Al Hokair Group employees, in charge of the maintenance of the Company's games in the field of entertainment, are also subject to extensive training courses on the maintenance of such games provided by the various vendors of such games. Such training is provided as soon as the Company obtains new entertainment games from its vendors, so that upon the supply, the vendors train the Company employees on how to deal with such games. Usually,

the Company employees are trained at the Institute during the term of their employment in the Company.

Al Hokair Group believes in the importance of jobs specialization, being keen to train and qualify specialized labor in various job fields, and seeking to polish their knowledge by specialist internal and external training courses, and issuing supportive certificates in the field of employment.

No. of Training Courses						
Year	2017	2018	2019	2020	2021	2022
Training Courses	232	193	371	103	174	117

No. of Participants in Training Courses

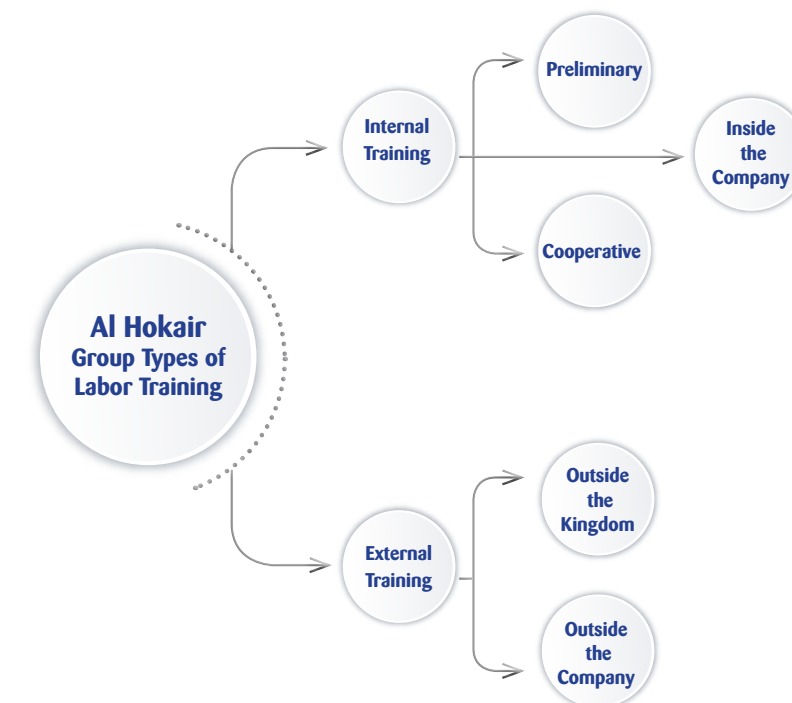


The Company adopts two types of training; the internal training which is divided into three sections: inside the Company, cooperative training, held in cooperation with the institutes and universities and preliminary training held with "Tamheer" initiatives to prepare young employees and to easily qualify them for the labor market.

The second type is the external training, including training outside the Company

in two institutes affiliated with the Group. Such are non-profit projects, whereby employees are trained in two institutes to better qualify them, and thus, enhance the internal efficiency of the Group employees and allows the Group to make the best use of the said step. There is also the external training outside the Kingdom, in which the Company dispatches a number of Company employees to receive suitable training and courses abroad.

Employees in Company Main Sectors



The Group trains employees from outside the Company in the institutes referred to below, to increase their chances in obtaining jobs in any of the hotels and entertainment

sectors for the sake of enhancing the Kingdom's Vision 2030 with regards to activating the tourism and hotels sectors, within the framework of the Company's CSR.

Internal Courses

Course Name	Trainer	Number
Happiness Ambassadors	Red Crescent	50 Employees
Training of Trainers	Noble Center	20 Employees
Safety Supervisor Course – External Institute	Arab Fire Safety & Security Academy (AFSSAC)	54 Employees

External Courses

Course Name	Trainer	Number
Integrated safety program	Inside the Company (Training Section)	450 Employees
Improving sale skills	Inside the Company (Training Section)	60 Employees
Maintenance Management Training	Inside the Company (maintenance Section)	All Employees of Entertainment Sites
Games Evacuation Course	Inside the Company (Safety Section)	All Employees of Entertainment Sites

3-5 Infrastructure

Al Hokair Group is keen to abide by the Kingdom's Vision 2030 in terms of promoting the State future, focusing on sustainability as a main pillar in planning, establishing an infrastructure and developing policies and investments. Accordingly, the Company continuously works and seeks to empower and prepare the work environment in order to support the Group's success career.

Al Hokair Group has a massive infrastructure in all sectors in which the Company focuses its activity, which gives the Company the advantage of having a strong basis for attracting clients, stemming from its belief in the excellent services provided by the Company in the real world, the Company's facilities, various structures and developed tools, in addition to the labor force, are being the Company's best investment.

The Group aims at automating %100 of its operations through AI and operation of Oracle Fusion

The digital system is one of the main objectives of the Group's Information Technology (IT) budget in 2023. One of the most important IT Projects this year is the digitalization of e-commerce and sales increase while merging mobile applications with other methodologies including Salesforce and CRM.

3-7 Access to Clients

Through the Group's wide geographical spread and presence in the market, internally and externally, the Company is keen to get closer to its clients in order to meet their various needs with premium quality. Such geographical presence reflects the ability of Al Hokair Group to deliver its services to all regions across the Kingdom and other

Moreover, the Group various departments seek to enhance the Company infrastructure and all related activities inside and outside the Kingdom, starting with planning, supervision of Projects implementation and provision of support services in all activities and ending with the Projects optimum completion with the highest standards, to achieve the objectives of the organization as a whole.

3-6 Business Digitalization

The Company complies with the Group's IT strategy through the migration of most systems on digital clouds. This shall provide more flexibility in terms of easy access, management, deployment and security. When Oracle Fusion is operated, 90% of the paper works will be covered and shall be fully automated. That is why the Group has communication with one of the artificial intelligence (AI) companies to automate the remaining percentage of operations of 10% using the machine learning (ML) approach.

countries in which the Company is located whether in the A.R.E. or UAE.

Al Hokair Group provides various hospitality and entertainment services inside and outside the Kingdom borders, let alone the elite malls and restaurants which serve a wide base of clients. This requires the Company to constantly enhance the quality of services provided to the clients in various places. Therefore, the Group will be able to access a large number of clients and win their trust. This in turn will enhance the Company's status in the business sector, and constantly improve its profitability.

3-8 Provision of Legal Protection

The Group is not solely concerned with expansion and profitability, rather the Company works on providing legal protection and ensuring a safe working environment that would provide the Company's labor with all their rights. This can only be achieved through the effective management of the legal affairs which supports various Company departments, starting with the provision of necessary legal consultancies and positively contributing to the development and organization of work progress. Add to this the regulation of the Company's affairs, along with the labor force and the wide client base, within a legal framework in line with all procedures and regulations applicable inside and outside the Kingdom borders.

The Legal Affairs Department further seeks to innovate solutions to pace up the Company's human resources activities

and the laws established by the Ministry of Human Resources and Social Development and the Ministry of Justice. The Legal Affairs Department is assigned to represent the Company before the judicial authorities of all degrees and jurisdictions, in addition to conducting the procedures of amicable settlements with the labor force and the Company's clients.

3-9 Accomplishments

In 2022, the Group managed to renew its lease contracts with its strategic partners in the main entertainment sites all over the Kingdom. In the pipeline, the development plans of such locations have been approved to be executed in the upcoming years. Moreover, the Group is seeking to open the first branch holding the recently obtained brand name (Brass Monkey) in a distinguished location in the Diplomatic Quarter Mall (to be opened at the beginning of 2023), which is generally regarded as an expansion of the targeted clients in the field of entertainment.





As part of the Group's response to its youth clients, a new partnership has been established with a main regional group for Paddle Tennis in 2021, whose activities were actually launched in Riyadh in 2022

at Al Hokair Time – Al Malqa. Currently, expansions are made in Jeddah and Khobar as well. The Group invests in the movie sector, and has recently works in Dammam, Jeddah and Jazan, with the aim of opening new locations in the Central and Western Regions.

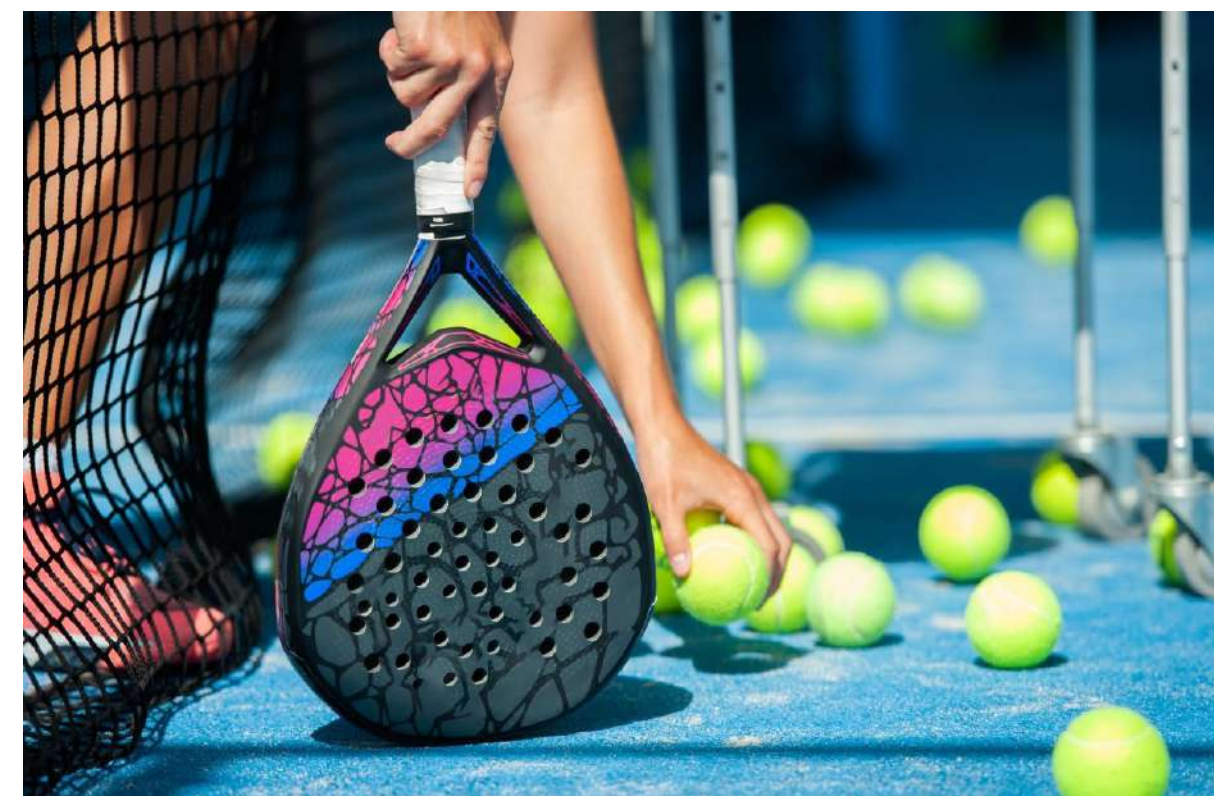


Also within the framework of its renovation plans, the Group managed to take over a number of main trading global brands exclusively in the Kingdom, which include (Monopoly, Transformers and CoCo Melon), which added value to its internal trademark "Sparky's" and contributed to the re-positioning of its stance in the entertainment market.

In this respect, thanks to the Group's tangible results with regards to the diversification of its earnings and holding strategic partnerships; the Company

has signed strategic contracts with one of the largest domestic companies in the entertainment sector at more than SAR 100 million as a new source of earnings from the management services and franchise fees.

As for the awards, Al Hokair Group was honored by receiving a number of awards in 2022, specifically, in the entertainment sector, including the Middle East & North Africa Leisure and Attraction Council (MENALAC) award, given in recognition of the Company's efforts for its distinguished program "Ataa".



Additionally, the Company has seen this year the presence of more than 350 international companies in the entertainment industry in a huge exhibition that the Company prepared and supervised under the patronage of Al Hokair Group.

To wrap up, we may say that the Group is looking forward to achieve a number

of accomplishments in 2023 and to compete over a number of awards, which coincides with raising the Company's efficient operation level by applying the best international standards in managing operations and rationalizing expenses, while ensuring the flexibility of procedures in all affiliated business sectors.



04

Corporate Governance

Our Motto .. Transparency,
Trustability, Discipline

(4) Corporate Governance

Our Motto .. Transparency, Trustability, Discipline

4-1 Governance Framework

Al Hokair Group is committed towards establishing a wise governance framework that provides a sturdy base for an effective relationship between the Company, its Board, shareholders and other relevant authorities. This general framework ensures fair treatment to all shareholders and acknowledges the established legal rights of all shareholders regardless of their shareholding. Furthermore, the Corporate Governance framework ensures the availability of accurate information at the right time regarding all substantial issues related to the Company, in addition to the accountability of the Board before the Company and the shareholders according to related laws. This stems from the Company's strenuous attempts to maximize its added value, through the effective strategic planning, risk management, transparency, social and environmental responsibility, in light of the compliance to legal requirements of the Corporate Governance.

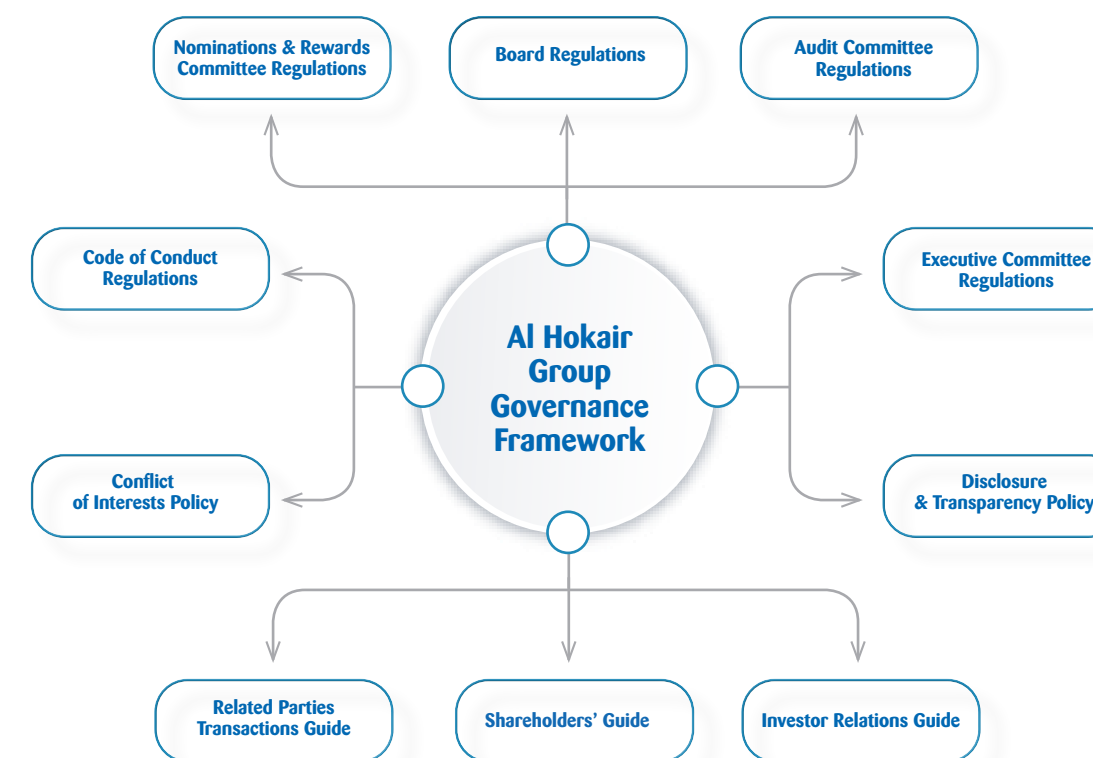
The Company has went a long way within the framework of governance and policies that have existed since 2014 covering multiple aspects of the Company including the matrix of powers and authorities, regulations applicable to Board Members, Committees and work method. Ever since Al Hokair Group has been listed in the Saudi Stock Exchange (Tadawul) it has been obliged to update all its regulations,

to comply with the governance procedures.

Accordingly, Al Hokair Group governance framework has been laid down to reinforce principles and practices aiming at enhancing the governance quality and effectiveness, further enhancing the Group performance, competitiveness and reliability. From this perspective, such framework supports forming a long-term value and the implementation of the Group's sustainable growth strategies.

Al Hokair Group always seeks to implement the highest standards of disclosure and transparency and the best practices in governance and compliance, in order to gain the confidence of shareholders, investors and clients, and to expand its base of clients and to increase the geographic span of the Group activities inside and outside the Kingdom borders. That's why the Company is keen on spreading the compliance culture according to the highest levels of honesty and integrity, and continuously assuring compliance to all laws, regulations and directives issued by the parties relevant to the Company's business, which is one of the most important success factors of the Company so as to maintain the Company leading position and good reputation among competitors.

Disclosure & Transparency + Integrity & Justice + Compliance & Responsibility = Sound Governance



4-2 Pillars of Governance

Al Hokair Group has laid down a set of main pillars and principles, which formed the effective legal framework of the Corporate Governance, without prejudice to the best applicable practices of the companies listed in the Saudi Stock Exchange (Tadawul).

Accordingly, the Group has established the Company's governance general framework,

according to a set of principles and practices that aim to enhance the governance quality and effectiveness, the Group performance, competitiveness and reliability. Therefore, such framework supports forming value on the long term and the implementation of the Group's sustainable growth strategies.

Al Hokair Group Governance Main Pillars and Principles



4-3 Provisions and Degree of Compliance

Al Hokair Management has laid down the rules through which it can steer and direct the Company. Such rules include the mechanisms for organizing various relations between the Board, CEOs, shareholders and stakeholders, by laying down special procedures to facilitate decision making and to add a sense of transparency and credibility to it in order to protect the rights of shareholders and stakeholders and to establish justice, competitiveness and transparency in the market and business environment.

Al Hokair Group is keen to abide by the Corporate Governance Regulations issued by the Capital Market Authority (CMA)

which require the Company to declare in the Board's report the provisions of the Corporate Governance Regulations that have been applied and those that were not, showing the reasons beyond failure to apply such provisions. The Governance and Market Obligations Department works in coordination with the Executive Management and Executive Committees on reviewing and updating the governance policies and practices, with the aim of enhancing integrity, transparency and compliance. Al Hokair Group applies all provisions stated therein expect the guiding articles included below. Al Hokair Group works hard to implement the same stemming from its keenness to adopt the highest Corporate Governance standards; namely:

No. of Article/ Paragraph	Title	Text of Article/ Paragraph	Application Scope	Causes of Non-application
37/2	Training	Developing the necessary mechanisms for Board Members, Committee Members, and Executive Management to continuously enroll in training Programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	N/A	Guiding Article The Company has a training program for newly appointed Board Members and Executive Management, only to introduce the Company workflow and activities.
67	Composition of 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.	N/A	Guiding Article No Risk Management Committee has been formed, but the Executive Committee conducts some of the competencies of Risk Management Committee, and the Audit Committee evaluates the performance of the Risk Management Committee.

No. of Article/ Paragraph	Title	Text of Article/ Paragraph	Application Scope	Causes of Non-application
68	Competencies of Risk Management Committee	<p>The competencies of the Risk Management Committee shall include the following:</p> <ol style="list-style-type: none"> 1- Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors. 2- Determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level. 3- Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months. 4- Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein. 5- Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example). 6- Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board. 7- Providing recommendations to the Board on matters related to risk management. 8- Ensuring the availability of adequate resources and systems for risk management. 9- Reviewing the organisational structure for risk management and providing recommendations regarding the same before approval by the Board. 10- Verifying the independence of the risk management employees from activities that may expose the Company to risk. 11- Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk. 12- Reviewing any issues raised by the Audit Committee that may affect the Company's risk management. 	N/A	<p>Guiding Article</p> <p>No Risk Management Committee has been formed, but the Executive Committee conducts some of the competencies of Risk Management Committee, and the Audit Committee evaluates the performance of the Risk Management Committee.</p>

No. of Article/ Paragraph	Title	Text of Article/ Paragraph	Application Scope	Causes of Non-application
69	Meetings of Risk Management Committee	The Risk Management Committee shall convene periodically at least once every six months, and as may be necessary.	N/A	Guiding Article No Risk Management Committee has been formed, but the Executive Committee conducts some of the competencies of Risk Management Committee, and the Audit Committee evaluates the performance of the Risk Management Committee.
82/2	Employee Incentives	The Company shall establish Programs for developing and encouraging the participation and performance of the Company's employees. The Programs shall particularly include the following: Establishing a scheme for granting Company shares or a percentage of the Company profits and pension Programs for employees, and setting up an independent fund for such Program.	N/A	Guiding Article The General Assembly gave its approval to the Company for the same and implementation is underway.
82/3	Employee Incentives	The Company shall establish Programs for developing and encouraging the participation and performance of the Company's employees. The Programs shall particularly include the following: Establishing social organisations for the benefit of the Company's employees.	N/A	Guiding Article
84	Social Responsibility	The Ordinary General Assembly (OGA), 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.	N/A	Guiding Article The Company has a social responsibility, as stated in the report above.

4-4 Board of Directors Members

Composition of Board of Directors

The Board of Directors of Al Hokair Group comprises (9) Members elected by the shareholders' Ordinary General Assembly (OGA) for no more than 3 years. The membership of the Board ends by the end of its tenure or the expiry of the Member's membership, in accordance with any law applicable in the Kingdom. However, OGA may, at all times, dismiss all or some of

the Board Members, without prejudice to the dismissed Member's right towards the Company to claim for compensation, in case of unjustified or unsuitable cause for dismissal. The Board Member may retire, provided that such shall take place in a suitable time, otherwise the Member shall be liable before the Company for any damage incurred by the Company as a result of such retirement.



Majid Bin Abdul Mohsen Al Hokair
Chairman of the Board of Directors



Sami Bin Abdul Mohsen Al Hokair
Managing Director



Amr Bin Abdulaziz Al Jalal
Vice Chairman



Iyad Bin Abdul Rahman Al Bunyan
Board Member



Faisal Bin Mohammed Shaker
Board Member



Raed Bin Abdulaziz Abu Zinada
Board Member



Ramzi Bin Kanaan Abu Khadra
Board Member



Khalid Anib
Board Member



Bandar Bin Khalid Al Hokair
Board Member

Classification of Board Members

The following Table shows the classification of the Board Members as Type of membership (Independent/ Executive/ Non-Executive):

Name of Board Member	Post	Type of Membership		
		Independent	Executive	Non-Executive
Majid Bin Abdul Mohsen Al Hokair	Chairman of the Board of Directors	-	-	✓
Amr Bin Abdulaziz Al Jalal	Vice Chairman	-	-	✓
Sami Bin Abdul Mohsen Al Hokair	Managing Director	-	✓	-
Khalid Anib	Board Member	✓	-	-
Ramzi Bin Kanaan Abu Khadra	Board Member	✓	-	-
Raed Bin Abdulaziz Abu Zinada	Board Member	✓	-	-
Faisal Bin Mohammed Shaker	Board Member	✓	-	-
Iyad Bin Abdul Rahman Al Bunyan	Board Member	-	-	✓
Bandar Bin Khalid Al Hokair	Board Member	-	-	✓

Board Members' Posts in Other Companies

The following Table shows the names of the companies, inside and outside the Kingdom, wherein Al Hokair Group Board Members or Managers have posts, in addition to the legal entity of such companies:

(1) Majid Bin Abdul Mohsen Al Hokair

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Chairman of the Board of Directors, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Listed JSC	Board of Executive Directors Member, Saudi Emirates House General Trading Co., since 1432 AH	LLC
Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Holding Group, since 2015	LLC	General Manager, Majid Abdul Mohsen Al Hokair Ltd., since 1435 AH	LLC
CEO, Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair & Sons Co., since 2008	LLC	Modi Mohammed Al Hokair Ltd. Co.	LLC
Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Ltd., since 2015	LLC	Al Khaleejyah Entertainment Co.	LLC
Board of Executive Directors Member and Partner, MENA Company for Education and Human Resources Development, since 2012	LLC		
Board of Executive Directors Member, Al Naqaha Health Care Company, since 2012	LLC		
Board of Executive Directors Member, Osoul Hotel Initiative Company, since 2015	LLC		
Board of Executive Directors Member, Qassim for Entertainment and Commercial Projects, since 2022	LLC		
Board of Executive Directors Member, Tabuk Company for Commercial and Entertainment Projects, since 2022	LLC		

Outside the Kingdom	Legal Entity
Kingdom of Entertainment Company (Egypt)	LLC
Al Hokair for Investment and Development Company (Egypt)	LLC
Al Hokair for Investment and Tourism Company (UAE)	LLC

(2) Amr Bin Abdulaziz Al Jalal

Inside the Kingdom	Legal Entity
2021 – to date: Vice Chairman, Abdul Mohsen Al Hokair Group for Tourism and Development Co	Listed JSC
2020 – to date: Managing Director and CEO, Namara Investment Company - Dr. Sulaiman Al Habib Commercial Investment Company	LLC
Board Member, Merak Capital, since 2022	Closed JSC
Board Member, Nominations and Remunerations Committee Chairman, National Agriculture Development Company (NADEC), since 2021	Listed JSC
Board Member, Hamat Holding Company, since 2020	Closed JSC
Board Member, Saudi Venture Capital and Private Equity Association (SAVCPEA), since 2020	Association
2020 – 2014: Head, Private Equity and Investment Banking, Jadwa Investment	Closed JSC
2012 – 2004: Various Posts, the last of it, Head, Listing Unit, Register Unit, Industrial and Services Sector, Capital Market Authority (CMA)	Government Entity
2004 – 2002: Banking Credit Official, Business Banking Services Department, Samba Financial Group (SJSC)	Closed JSC
2014 – 2012: Vice President, Investment Banking, Saudi Fransi Capital (SFC)	Closed JSC

Inside the Kingdom	Legal Entity
Board of Executive Directors Member, Thabat Limited Development Company	LLC
Board of Executive Directors Member, Qemam Al Tabadoul for Investment Company	LLC
Board of Executive Directors Member, Al Saqi for Investment Company	LLC
Board of Executive Directors Member, Wajahat Al Hamra for Investment Company	LLC
Board of Executive Directors Member, Wajahat Al Manar for Investment Company	LLC
Board of Executive Directors Member, Tahalouf Al Habib for Investment Company	LLC

Outside the Kingdom	Legal Entity
Board Member, Investment Committee Chairman, Saudi-Egyptian Industrial Investment Co. (SEII), since 2018	Closed JSC
Board Member, Nominations and Remunerations Committee Member, October Pharma S.A.E (OPH), since 2021	Listed JSC

(3) Sami Bin Abdul Mohsen Al Hokair

Inside the Kingdom	Legal Entity
2021 – to date: Managing Director, Abdul Mohsen Al Hokair Group for Tourism and Development Co..	Listed JSC
Owner and General Manager, Sami Bin Abdul Mohsen Al Hokair Ltd., since 2014	LLC
Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Holding Group, since 2015	LLC
2017 – to date: Chairman of the Board of Directors, Tanami Arabia Co. Ltd.	Non-Listed JSC
2008 – to date: Board Member, Saudi Airlines Catering	Listed JSC
March, 2008 – to date: Board Member, European Company for Tourism and Hotel Investment (Private JSC – Jordan)	Listed JSC
January, 2013 – to date: General Manager, Sparky's Land Amusement Toys (LLC - UAE)	LLC
April, 2013 – to date: General Manager, Sparky's Digital Land Amusement Toys (LLC - UAE)	LLC

Inside the Kingdom	Legal Entity
10/2007 – to date: Board Member, Strategic Catering Company	LLC
12/1996 – to date: Board Member, Real Estate and Tourism Development Company	Closed JSC
December, 2001 – to date: General Manager, Beach Resort Half Moon (LLC)	LLC
2021 – to date: Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	LLC

Outside the Kingdom	Legal Entity
October, 2013 – to date: General Manager, Digital Land Amusement Toys - RAK (LLC - UAE)	LLC
May, 2011 – to date: Manager, Board of Executive Directors, Asateer for Entertainment and Tourism (LLC – Egypt)	LLC

(4) Khalid Anib

Inside the Kingdom	Legal Entity
2021 – to date: Executive Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Listed JSC
Chairman of the Board of Directors, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Listed JSC

Outside the Kingdom	Legal Entity
2016 – to date: CEO, Abu Dhabi National Hotels	Listed JSC

(5) Ramzi Bin Kanaan Abu Khadra

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2013 – to date: Advisor, Gulf Merger	LLC
Chairman, Audit Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2014 – to date: Partner, Mayaasim Al-Khaleej Real Estate Development	LLC
2019 – to date: Chairman of the Board of Directors, UBS Bank	LLC	Outside the Kingdom	Legal Entity
		Member, Abu Dhabi Chamber of Commerce and Industry (ADCCI)	

(6) Raed Bin Abdulaziz Abu Zinada

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Listed JSC	Nominations and Remunerations Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.	Listed JSC

(7) Faisal Bin Mohammed Shaker

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2018 – to date: CEO and Co-Founder, Modern Food Company (MFC)	LLC
Executive Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2019 – to date: Board Member, SPIMACO Addwaeih	Listed JSC
Nominations and Remunerations Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC		

Inside the Kingdom	Legal Entity	Outside the Kingdom	Legal Entity
2019 – to date: Chairman of the Board of Directors, Al Qassim Medical Services Company	LLC	Chairman, Board of Executive Directors, SPIMACO Morocco	LLC
Board of Executive Directors Member, Arac Healthcare	Listed JSC	Vice Chairman, Board of Executive Directors, SPIMACO MISR	LLC
2019 – to date: Board Member, Sinad Holding Company	Listed JSC	2019 – to date: Board Member, NBK Wealth Management	Listed JSC
Board Member, Aseer Trading, Tourism and Manufacturing Co.	Listed JSC		

(8) Iyad Bin Abdul Rahman Al Bunyan

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2013 – to date: Board Member, Executive Committee Member, Alargan Projects Company	Closed JSC
Chairman, Nominations and Remunerations Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	2020 – to date: Board Member, Nominations and Remunerations Committee Member and Risk Committee Member, Al-Etihad Co-operative Insurance Co.	Listed JSC
2006 – to date: Managing Director, Alargan Projects Company - Real Estate Investment and Development	Closed JSC	Board Member and Executive Committee Member, Wafra for Industry and Development	Listed JSC

(9) Bandar Bin Khalid Al Hokair

Inside the Kingdom	Legal Entity	Inside the Kingdom	Legal Entity
Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021	Listed JSC	CEO, Al Naqaha Health Care Company, since 2012	LLC
Board Member, Abdul Mohsen Al Hokair Holding Group, since 2015	LLC	Board of Executive Directors Member, Abdul Mohsen Al Hokair & Sons Ltd. Co., since 2008	LLC
Deputy CEO, Abdul Mohsen Al Hokair Holding Group, since 2017	LLC	Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair & Sons Ltd. Co., since 2014	LLC

4-5 Board Meetings and Attendance Record

The Company Board of Directors held (6) meetings during 2022. The last meeting of the Board Members dated 10/06/2022, as shown in the following Table:

Name of Member	First Meeting March, 14	Second Meeting May, 16	Third Meeting June, 30	Fourth Meeting Sept., 8	Fifth Meeting Nov., 16	Sixth Meeting Dec., 27	Attendance Ratio
Majid Bin Abdul Mohsen Al Hokair	Attended	Attended	Attended	Attended	Attended	Attended	100%
Amr Bin Abdulaziz Al Jalal	Attended	Attended	Attended	Attended	N/A	Attended	83%
Khalid Anib	Attended	Attended	Attended	Attended	Attended	Attended	100%
Ramzi Bin Kanaan Abu Khadra	Attended	Attended	N/A	Attended	Attended	Attended	83%
Raed Bin Abdulaziz Abu Zinada	Attended	Attended	Attended	Attended	Attended	N/A	83%
Faisal Bin Mohammed Shaker	Attended	Attended	Attended	Attended	Attended	Attended	100%
Iyad Bin Abdul Rahman Al Bunyan	Attended	Attended	Attended	Attended	Attended	Attended	100%
Sami Bin Abdul Mohsen Al Hokair	Attended	Attended	Attended	Attended	Attended	N/A	83%
Bandar Bin Khalid Al Hokair	Attended	Attended	Attended	Attended	Attended	N/A	83%
Average Attendance							91%

4-6 Biography of Board Members

Full biography of the Board Members of Al Hokair Group, as shown in the following Table:



Majid Bin Abdul Mohsen Al Hokair



Amr Bin Abdulaziz Al Jalal

Current Position

- Chairman of the Board of Directors, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Holding Group, since 2015
- CEO, Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair & Sons Co., since 2008
- Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Ltd., since 2015
- Board of Executive Directors Member and Partner, MENA Company for Education and Human Resources Development, since 2012
- Board of Executive Directors Member, Al Naqaha Health Care Company, since 2012
- Board of Executive Directors Member, Osoul Hotel Initiative Company, since 2015
- Board of Executive Directors Member, Qassim for Entertainment and Commercial Projects, since 2022
- Board of Executive Directors Member, Tabuk Company for Commercial and Entertainment Projects, since 2022
- Board of Executive Directors Member, Saudi Emirates House General Trading Co., since 1432 AH
- General Manager, Majid Abdul Mohsen Al Hokair Ltd., since 1435 AH

Previous Position

- 2014 to 2017: Chairman of the Executive Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2018 to 2021: Member of the Executive Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2002 to 2004: Chairman, Technical Committee, Saudi Arabian Football Federation
- 2017 to 2020: Board Member, Riyadh Chamber
- 2016 to 2020: Chairman, Tourism and Entertainment Committee, Riyadh Chamber
- 2016 to 2020: Chairman, Executive Committee for Tourism and Events, Council of Saudi Chambers (CSC)
- Chairman, Riyadh Shopping and Entertainment Festival Committee
- 2017 to 2020: Chairman of the Board of Directors, Riyadh International Convention & Exhibition Center (RICEC)
- 2003 to 2020: General Manager, Riyadh for Tourism and Entertainment Projects

Qualifications

- Bachelor's Degree in Business Administration, King Saud University - 1986
- Training courses in marketing, insurance, management of recreational cities and tourist facilities

Current Position

- 2021 – to date: Vice Chairman, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2020 – to date: Managing Director and CEO, Namara Investment Company - Dr. Sulaiman Al Habib Commercial Investment Company
- Board Member, Investment Committee Chairman, Saudi-Egyptian Industrial Investment Co. (SEII), since 2018
- Board Member, Nominations and Remunerations Committee Chairman, National Agriculture Development Company (NADEC), since 2021
- Board Member, Nominations and Remunerations Committee Member, October Pharma S.A.E (OCPH), since 2021
- Board Member, Merak Capital, since 2022
- Board Member, Hamat Holding Company, since 2020
- Board Member, Saudi Venture Capital and Private Equity Association (SAVCPEA), since 2020

Previous Position

- 19/04/2018 – 18/04/2021: Chairman, Audit Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 26/06/2019 – 18/04/2021: Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2014-2020: Head, Private Equity and Investment Banking, Jadwa Investment
- 2012-2014: Vice President, Investment Banking, Saudi Fransi Capital (SFC)
- 2004-2012: Various Posts, the last of it, Head, Listing Unit, Register Unit, Industrial and Services Sector, Capital Market Authority (CMA)
- 2002-2004: Banking Credit Official, Business Banking Services Department, Samba Financial Group (SJSC)

Qualifications

- Bachelor's Degree, Management Information Systems (MIS), King Fahd University of Petroleum and Minerals, 2002
- Master's Degree, Business Administration, Rice University, Houston, USA, 2010

Experience

- +20-year experience in private equity investment, banking investment, corporate finance, corporate governance, and corporate financial and accounting affairs



Sami Bin Abdul Mohsen Al Hokair

Current Position

- 2021 – to date: Managing Director, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- Owner and General Manager, Sami Bin Abdul Mohsen Al Hokair Ltd., since 2014
- Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair Holding Group, since 2015
- 2017 – to date: Chairman of the Board of Directors, Tanami Arabia Co. Ltd.
- 2008 – to date: Board Member, Saudi Airlines Catering
- 10/2007 – to date: Board Member, Strategic Catering Company
- 12/1996 – to date: Board Member, Real Estate and Tourism Development Company
- March, 2008 – to date: Board Member, European Company for Tourism and Hotel Investment (Private JSC – Jordan)
- December, 2001 – to date: General Manager, Beach Resort Half Moon (LLC)
- January, 2013 – to date: General Manager, Sparky's Land Amusement Toys (LLC - UAE)
- April, 2013 – to date: General Manager, Sparky's Digital Land Amusement Toys (LLC - UAE)
- October, 2013 – to date: General Manager, Digital Land Amusement Toys - RAK (LLC - UAE)
- May, 2011 – to date: Manager, Board of Executive Directors, Asateer for Entertainment and Tourism (LLC – Egypt)

Previous Position

- 2008 – 2021: CEO, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2000 – 2003: Vice Chairman, Tourism Committee, Chamber of Commerce & Industry, Eastern Province
- 2000 – 2003: Member, Tourism Committee, Emirate of Eastern Province
- January, 1991 – December, 1997: General Manager, Andalusia Hotel
- 2002 – 2003: Board Member, Al-Batna Oman Company
- 1993 – 1998: Board Member, Société tunisienne de tourisme de jeunes (SOTUTOUR), Tunisia

Qualifications

- Bachelor's Degree, Business Administration, King Saud University

Experience

- +30-year experience, Establishment, Management and Operation of Hotel and Entertainment Centers, Shopping Malls, SPAs, Housing Units, Educational, Training and Touristic Projects, Catering Services, Airlines Sales, Airport Lounges Sales, and Airlines Flights and Services



Khalid Anib

Current Position

- 2021 – to date: Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2021 – to date: Executive Committee Member Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2016 – to date: CEO, Abu Dhabi National Hotels

Qualifications

- Master's Degree, Business Administration, Strathclyde University, UK, 2006
- Hotel Sciences, Cornell University & Accor Academy, 2003
- Diploma, Marketing and Export Ammattikoulu University, 1996

Previous Position

- 2012 – 2016: Executive Manager, Hospitality Sector, Al Hokair Group

Experience

- +20-year experience, Hotel Management and Operation



Ramzi Bin Kanaan Abu Khadra

Current Position

- Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- Chairman, Audit Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- 2019 – to date: Chairman of the Board of Directors, UBS Bank
- 2013 – to date: Advisor, Gulf Merger
- 2014 – to date: Partner, Mayaasim Al-Khaleej Real Estate Development

Previous Position

- 2013 – 2020: Chairman of the Board of Directors, Metlife AIG ANB
- 2018 – 2020: Member, Investment Committee, Abdullah Al Turki Al Dhuhayan Sons Contracting Company
- 2014 – 2016: Board Member, Kuwait Company for Process Plant Construction & Contracting k.p.s.c. (KCPC)

Qualifications

- Master's Degree, Business Administration, Harvard University, Boston, (1997 - 1999)
- Master of Science (MS), Chemical Engineering, Texas University, Austin (1990 - 1992)
- Bachelor of Science (BS), Chemical Engineering, Tunisia University (1984 - 1987)



Raed Bin Abdulaziz Abu Zinada

Current Position

- Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- Nominations and Remunerations Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.

Previous Position

- 2019 – 2020: General Supervisor, Advisor to H.E., President of Saudi Seasons
- 2018 – 2019: Executive Vice President, Business Development, Saudi Entertainment Ventures (SEVEN)
- 2016 – 2018: Chief, Sector Development, General Entertainment Authority (GEA)
- 2009 – 2015: Co. Owner and CEO, Saudi Sabk Co.
- 2006 – 2009: Executive Director, Studies, Development and Designs, Lines Design Company, Consulting Office for Architectural Studies
- 1999 – 2006: Architectural Engineer / Project Engineer, Engineering Department, General Intelligence Presidency (GIP)

Qualifications

- Bachelor of Architecture, King Saud University, 1999
- Higher Diploma, Value Engineering, Ventures Management, University of California, 2003



Faisal Bin Mohammed Shaker

Current Position

- Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- Executive Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- Nominations and Remunerations Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- 2018 – to date: CEO and Co-Founder, Modern Food Company (MFC)
- 2019 – to date: Board Member, SPIMACO Addwaeih
- 2019 – to date: Chairman of the Board of Directors, Al Qassim Medical Services Company
- 2019 – to date: Board Member, NBK Wealth Management
- 2019 – to date: Board Member, Sinad Holding Company

Previous Position

- 2019 – 2021: Board Member, Arac Healthcare
- 2019 – 2021: Vice Chairman, Board of Executive Directors, SPIMACO MISR
- 2013 -2017: CEO, Audi Capital
- 2012 -2013: Head, Wealth and Investment Management, Barclays Bank - Saudi Arabia
- 2011 -2012: Head, Wealth Management, Audi Capital
- 2010 – 2011: Manager, Gulf Wealth Management for Investments
- 2003 – 2010: Manager, Banking Services for Large Corporates, Saudi British Bank (SABB)



Iyad Bin Abdul Rahman Al Bunyan

Current Position

- Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- Chairman, Nominations and Remunerations Committee, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- 2006 – to date: Managing Director, Alargan Projects Company - Real Estate Investment and Development
- 2013 – to date: Board Member, Executive Committee Member, Alargan Projects Company

- 2020 – to date: Board Member, Nominations and Remunerations Committee Member and Risk Committee Member, Al-EtiHAD Co-operative Insurance Co.
- Board Member and Executive Committee Member, Wafra for Industry and Development

Previous Position

- 2018 – 2021: Board Member, Nominations and Remunerations Committee Member, Knowledge Economic City Co. (KEC)



Bandar Bin Khalid Al Hokair

Current Position

- Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co., since 2021
- Board Member, Abdul Mohsen Al Hokair Holding Group, since 2015
- Deputy CEO, Abdul Mohsen Al Hokair Holding Group, since 2017
- CEO, Al Naqaha Health Care Company, since 2012
- Board of Executive Directors Member, Abdul Mohsen Al Hokair & Sons Ltd. Co., since 2008
- Board of Executive Directors Member and Partner, Abdul Mohsen Al Hokair & Sons Ltd. Co., since 2014

Previous Position

- 2007 – 2008: Investment Department, Bank Al Bilad
- 2003 – 2007: Investment Department, Samba Financial Group SJSC, formerly known as The Saudi American Bank

4-7 Executive Management Members



Sami Bin Abdul Mohsen Al Hokair

Current Position

- 2021 – to date: Managing Director, Abdul Mohsen Al Hokair Group for Tourism and Development Co.

Previous Position

- 2008 – 2021: CEO, Abdul Mohsen Al Hokair Group for Tourism and Development Co.

Qualifications

- Bachelor's Degree, Business Administration, King Saud University

Experiences

- +30-year experience, Establishment, Management and Operation of Hotel and Entertainment Centers, Shopping Malls, SPAs, Housing Units, Educational, Training and Touristic Projects, Catering Services, Airlines Sales, Airport Lounges Sales, and Airlines Flights and Services



Alaa Mansour

Current Position

- Executive Vice President (VP) of Finance, since 01/06/2021

Previous Position

- Chief Financial Officer (CFO), Different Commercial Groups, Companies Operating in Various Fields, including Investment, Information Technology (IT), Commerce, Service and Contracting Provision. Also, Worked in Many External Auditing Professional Offices and Consultancy. Further, Worked in Banking Sector, Large Corporate Finance Department, Credit Risk Control Department

Qualifications

- Bachelor's Degree in Finance, Other Professions Certificates from Chartered Entities in USA including Certified Public Accountant (CPA) and Chartered Financial Analyst (CFA)

Experiences

- +20-year experience, Corporate Financial Management, External Audit, Banking Finance

4-8 Committees of the Board

The Board of Directors has formed three committees to help it to fully and effectively perform its tasks. These are: Executive Committee, Audit Committee and Nominations and Remunerations Committee.

The Board closely and regularly monitors the work of these Committees to ensure the said Committees diligently and

effectively implement the work assigned to them. The Committees shall regularly provide the Board with updates on their work, findings, and resolutions with absolute transparency and credibility and also inform the Board with the Committees various resolutions, provided that the final resolutions shall be taken by the Board.



On January 3, 2021, the Company Board accepted – without a meeting - the resignation of the CEO, Fahad Bin Mohammed Al Fawaz, for personal reasons, and assigned the Managing Director, Sami Bin Abdul Mohsen Al Hokair with the duties of the Company CEO, until a new Company CEO is appointed.

4-9 Brief Description of the Committees Powers & Duties

1) Executive Committee

● Powers and Duties:

At the Ordinary General Assembly (OGA) meeting held on 18/04/2021, the Board has constituted the Executive Committee and approved the Committee Members' selection, membership term, the Committee's method of work and responsibilities. Recently, the Company has amended the Committee Regulations, and the Company General Assembly approved such amendments on 18/04/2017. Within the scope of its powers and duties, the Committee shall:

- Approve the Group strategy to obtain the Board's final approval.
- Review the governance policies and measures adopted by the Group, and the main governance documents including the Group bylaws, and refer recommendations to the Board in this respect.
- Approve the transactions of the related parties and file recommendations to the Board in the transactions which exceed the limits of its powers.
- Review the management regular reports, assess performance, review and approve the new investments and re-investments, within its powers, before referring the same to the Board for final approval.
- Review balance sheets and annual plans and investigate substantial differences in balance sheets, if any, before the same are referred to the Board.
- Follow up and receive reports on the execution and completion of the Group major projects and main expansion works.

- Provide help to the Board in carrying out its responsibilities, especially concerning the duties assigned to the Committee by the Board in which time is critical, save for the matters that are exclusive for the Board, as specified in the Board of Directors Regulations.
- Issue recommendations to the Board or approve transactions or other matters in accordance with the powers specified in the structure of the Delegation of Authority and Power and further issue recommendations on the amendment of the Group AOA.
- Review the investment plans of the Group excess liquidity.
- Receive regular reports from the Company Management on the Company Management operations and the Group risk management operations including the risk operations.

● Committee Members

The Executive Committee shall be composed of 4 Members, chaired by Sami Bin Abdul Mohsen Al Hokair. During 2022, the Committee held 4 meetings. The following Table shows the Committee Members, their titles, membership classification and meetings attendance records over the year:

Name	Nature of Membership/ Post (Chairman, Member)/ Post (Chairman, Member)	Classification of Membership (Independent, Executive, Non-Executive)	Attendance Record of Meetings				Attendance Ratio
			First Meeting	Second Meeting	Third Meeting	Fourth Meeting	
			April, 7	May, 30	June, 22	Oct., 26	
Sami Bin Abdul Mohsen Al Hokair	Chairman	Executive	Attended	Attended	Attended	Attended	100%
Khalid Anib	Member	Independent	Attended	Attended	Attended	N/A	75%
Raed Bin Abdulaziz Abu Zinada	Member	Independent	Attended	Attended	Attended	Attended	100%
Faisal Bin Mohammed Shaker	Member	Independent	Attended	Attended	Attended	Attended	100%
Mashaal Bin Abdul Mohsen Al Hokair	Member	Non-Executive	Attended	Attended	Attended	Attended	100%
Average Ratio of Attendance:							95%

● Biography of Executive Committee Members:

- Sami Bin Abdul Mohsen Al Hokair (Full Biography – page 96)
- Khalid Anib (Full Biography – page 97)
- Raed Bin Abdulaziz Abu Zinada (Full Biography – page 99)
- Faisal Bin Mohammed Shaker (Full Biography – page 100)

Mashaal Bin Abdul Mohsen Al Hokair

Current Position:

- 19/04/2021 – to date: Executive Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- September, 2021 – to date: Managing Director, Hagan Real Estate Co.
- September, 2021 – to date: President, Saudi Arabia Archery Federation
- Head, MENALAC, Middle East and North Africa Leisure and Attractions Council
- 2019 – to date: CEO, Events Oasis, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2018 – to date: Chairman of the Board of Directors, Lux Entertainment Co., Cinépolis Gulf
- 2018 – to date: CEO, Osoul Al Mazaia Hotels Co.

2) Audit Committee

Previous Position:

- 2015 – January, 2022: Executive VP, General Manager, Entertainment Sector, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2015 – January, 2022: General Manager, Sparky's, UAE
- 2007 – 2010: Relationship Manager, Commercial Companies and Banks, SABB

Qualifications:

- Master's Degree in Business Administration, HULT International Business School
- Bachelor's Degree in Marketing, King Fahd University of Petroleum and Minerals
- Training Course, Hotel Management, Switzerland
- Multiple Training Courses, Tourism Investment

Experiences

- +15-year in developing business and entertainment sector, chaired the Executive Management, supervised Finance, Operation, Marketing, Strategy and Employees

Committee Powers and Duties:

The Audit Committee shall be composed of 3 Members; 2 Board Members and 1 Non-Board Member. On 18/04/2021, the Company General Assembly approved the Committee constitution, powers, duties, work regulations and remunerations of its Members. The Committee term shall lapse after 3 years ending by the end of the Board current tenure on 18/04/2024. The Audit Committee Regulations have been amended in 2020, and in its meeting held on 01/06/2020, the General Assembly approved such updated regulations.

In order for the Audit Committee to fully and diligently carry out its duties, the Committee shall:

- Seek the help of the necessary experts and professionals from inside the Company or outsource them within the limit of its powers, provided that the same shall be recorded in the meeting minute, stating the name of the expert, and its relation to the Company or the Executive Management.
- Hold investigations, or assign others to hold the same, in the matters that lie within the scope of its responsibilities.
- Take the resolutions assigned to it by the Board.
- Have access to the Company registers and documents.
- Request any explanations or statements from the Members of the Board or the Executive Management.
- Request the Board to call for the Company General Assembly meeting, in the event that the Board obstructed the Committee work, or in the event that the Company incurs material damages or losses.

Within the scope of its Powers and Duties, the Audit Committee shall:

- [A] Study the Company's interim and annual financial statements, before referring to the Board, express its opinion and issue its recommendations in this respect.
- [B] Supervise the Company's Internal Audit Department performance and activities, consider the internal audit reports and follow up the corrective measures taken as per the notes included therein.
- [C] Issue recommendations to the Board on the nomination of auditors and setting their remunerations.
- [D] Consider the Auditor's report and notes on the financial statements and follow up the measures taken in this respect.
- [E] Ensure the Company's compliance with the related laws, regulations, policies and instructions.
- [F] Review the Company's proposed contracts and transactions with related parties and submit the Committee vision in this respect to the Board.
- [G] The Audit Committee Regulations shall detail the Committee work, powers and method.

Committee Members

The Audit Committee is chaired by Ramzi bin Kanaan Abu Khadra. In 2022, the Committee held 6 meetings. The following Table shows the Committee Members, their titles, membership classification and meetings attendance records over the year:

Name	Nature of Membership/ Post (Chairman, Member)	Classification of Membership (Independent, Executive, Non-Executive)	Attendance Record of Meetings						Attendance Ratio
			First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	
			March, 9	March, 21	May, 18	Aug., 18	Nov., 7	Nov., 8	
Ramzi Bin Kanaan Abu Khadra	Chairman	Independent	Attended	Attended	Attended	Attended	Attended	Attended	100%
Amr Bin Abdulaziz Al Jalal	Member	Non-Executive	Attended	Attended	Attended	Attended	Attended	Attended	100%
Sulaiman Mohammed Alquhidan	Member	Independent	Attended	Attended	Attended	Attended	Attended	Attended	100%
Average Ratio of Attendance:									100%

● Biography of Audit Committee:

- Ramzi Bin Kanaan Abu Khadra (Full Biography – page 98)
- Amr Bin Abdulaziz Al Jalal (Full Biography – page 95)

Sulaiman Mohammed Alquhidan

Current Position:

- 2022-Date: Chairman of Audit Committee “Ghoroos Foundation” Mohammed Alsubaie Charitable Foundation.
- 2022-Date: Advisory BOD “BUNAT VENTURES” Builder VC firm based in the GCC.
- 2020-Date: BOD “Alkhorayef Water and Power Technologies (AWPT)” Leading in water and wastewater field, EPC, construction & O&M services.
- 2020-Date: Chairman Audit Committee “Alkhorayef Water and Power Technologies (AWPT)”
- 2020-Date: Chairman / Member Audit Committee “Al Hilal Saudi Club”
- 2019-Date: Advisory BOD “Eazy Financial Service Co.” B.S.C Bahrain. Licensed & regulated by Central Bank of Bahrain.

Previous Position:

- 2021-2022: Member of Audit Committee “Alargan Project” Real Estate Development.
- 2019-2022: BOD “Masic Logistics” LLC Leading developing& operating staff and workforce accommodations, readymade factories, warehouses.
- 2018-2022: Member of Audit Committee “Thakher Investment & Real Estate Co.” Development of residential, commercial and hospitality sector.
- 2018-2022: Chairman of Audit Committee “AlFadhili Co.” JV with

ARAMCO to build, own, operate and transfer “BOOT”.

- 2018-2022: Investment Committee member “Veto Vote”
- 2015-2018: Chairman of Audit Committee “Al Saedan Real Estate Co.”
- 2013-2017: BOD “Bahri Dry Bulk Co”. Provider of dry bulk transport services (Vessels & Cargo).
- 2013-2017: Secretary of “ARASCO” BOD. Food manufacturing company & stevedoring services.

Qualifications:

- Bachelor’s Degree in business administration, Accounting, King Saud University.
- Diploma, Economic Institute, Boulder, Colorado, USA.
- Master of Business Administration (MBA), King Saud University.
- Advanced Management Program (AMP), Harvard Business School, Boston, MA, USA.

Experiences

- + 28 years of experience in finance and investments. Having played a pivotal role in formulating company strategy in CFO/CEO role and BOD. Brings wealth of experience gained in the operation, investments, and lending sectors. Previously served as CFO/CEO in one of top companies in Saudi Arabia.

3) Nominations and Remunerations Committee:

● Committee Powers and Duties:

At the Ordinary General Assembly (OGA) meeting held on 18/04/2021, the Board has constituted the Nominations and Remunerations Committee and approved the rules on the Committee Members’ selection, membership term, the Committee’s method of work and responsibilities. Recently, the Company has amended the Committee Regulations, and the Company General Assembly approved such amendments on 18/04/2017. Within the scope of its powers and duties, the Committee shall:

- Propose clear policies and standards for the Board and Executive Management membership.
- Issue recommendations to the Board on the nomination and re-nomination of the Board Members, according to the approved policies and standards.
- Prepare descriptions of competencies and qualifications for Board membership and Executive Management positions.
- Provide advice and consultancies to the Board, in relation to the selection of Senior Executives with the proper traits and qualifications that conform to the Group operations.
- Ensure, on an annual basis, the independence of the Independent members, and that there is no conflict of interests, if the Member is a Board Member in another company board.
- Review, on an annual basis, the necessary needs, including the proper skills and experiences of Board membership and Executive Management positions.
- Determine the strengths and weaknesses (S-W) points of the Board and propose solutions to reform the same, in accordance with what lies in the Company’s best interests.
- Lay down a clear policy for the remunerations of Members of the Board, Board Committees and Executive Management, and refer the same to the Board to reconsider, to pave the way for approving such policy by the General Assembly.
- Review, regularly, the remuneration policy and assess its efficiency in meeting the objectives thereof.
- Issue recommendations to the Board of the remuneration of Members of the Board, Board Committees and the Company Senior Executives, as per the approved policy.
- Submit proposals to the Board regarding approving the appointment, resignation or accepting the resignation of the CEO.

● Committee Members:

The Nominations and Remunerations Committee shall be composed of 3 Members, chaired by Iyad Bin Abdul Rahman Al Bunyan. In 2022, the Committee held 2 meetings only. The following Table shows the Committee Members, their titles, membership classification and meetings attendance records over the year:

Name	Nature of Membership/ Post (Chairman, Member)	Classification of Membership (Independent, Executive, Non- Executive)	Attendance Record of Meetings		
			First Meeting March, 9	Second Meeting Dec., 14	Attendance Ratio
Iyad Bin Abdul Rahman Al Bunyan	Chairman	Non-Executive	Attended	Attended	100%
Faisal Bin Mohammed Al Malek	Member	Independent	Attended	Attended	100%
Faisal Bin Mohammed Shaker	Member	Independent	Attended	Attended	100%
Average Ratio of Attendance:					100%

Biography of Nominations and Remunerations Committee Members:

- Iyad Bin Abdul Rahman Al Bunyan (Full Biography – page 101)
- Faisal Bin Mohammed Shaker (Full Biography – page 100)

Faisal Bin Mohammed Al Malek

Current Position:

- 2012 – 2021: Board Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- 2021 – to date: Nominations and Remunerations Committee Member, Abdul Mohsen Al Hokair Group for Tourism and Development Co.
- Executive VP, Financial Affairs, Abdul Mohsen Abdulaziz Al Hokair Holding Group, since 2005
- 2018 – to date: CEO, Abdul Mohsen Abdulaziz Al Hokair Holding Group
- 30/03/2023 corresponding to 08/09/1444: Senior Relationship Manager, Business Banking, Saudi National Bank (SNB)
- October, 1998 – November, 2003: Financial Advisor, Saudi Industrial Development Fund (SIDF), Riyadh
- Board Member, ANBI Business Gate Fund, ANB Investment
- Board Member, Real Estate Investment Fund, Jadwa Investment Co.
- Board Member, Real Estate and Tourism Development Company (TorisCo.) (Closed JSC)

Qualifications:

- Bachelor's Degree, Industrial Engineering, King Saud University, 1998
- Credit Analysis Certificate, Chase Manhattan Bank, New York, USA, during working at Saudi Industrial Development Fund (SIDF), Riyadh

Experiences

- +20-year experiences, CEO, Al Hokair Group, Board Member in many Boards of Directors.

4-10 Assessment of the Performance of Board Members, Executives and Committees

Al Hokair Group Board of Directors has prepared a self-assessment of Board Members for the year 2022, to be filled independently on an annual basis by each of its Members. The above step is taken to ensure that the Members of the Board and Board Committees meet the criteria and conditions stated in the specified measures of the Board membership and that they continue to meet the requirements of all laws, regulations and instructions issued by the Ministry of Commerce (MOC) and the Capital Market Authority (CMA).

After this, the Chairman of the Board of Directors may discuss the results of the survey, laying special focus on the fields that need enhancement, as a result of the disparity of answers. Otherwise, the self-assessment may be carried out as a group activity chaired by the Board Chairman or an independent party.

4-11 Remunerations and Compensations

● Remunerations Criteria and Rules:

The Nominations and Remunerations Committee in the Company has laid down the Remunerations Policy of the Members of the Board, Board Committees and Senior Executives. The same has been approved by the Company General Assembly in its meeting held on 15/12/2021 and is reviewed on an annual basis. The following shall be considered in the Remunerations Policy:

1. Remunerations shall be proportionate to the Company activity and the skills required for the Company management.
2. Link the variable part of the remunerations with performance on the long run.
3. The Company shall ensure that the remunerations comply with the Company's strategy, objectives, size and degree of risks.
4. The Company shall consider the practices of other companies and the market trend prevailed in setting remunerations, while avoiding what may result from the rise in remunerations and compensations.
5. The Remunerations Policy shall be prepared in coordination with the Nominations and Remunerations Committee regarding new employees.

6. Remunerations shall be based on the job level and job occupant's duties, responsibilities, academic qualifications, experiences, skills and performance level.
7. Remunerations must be fair and proportionate to the Member's powers, works, responsibilities assigned to the Members of the Board or Board Committees, in addition to the objectives laid down by the Board to be achieved during the fiscal year.
8. The Company shall take into consideration the sector in which the Company operates and its size and the Board Members' experience.
9. Remunerations should be reasonably enough to attract highly efficient and experienced Board Members and to motivate and retain them.
10. The Board Members' remunerations may vary, so as to reflect the Member's experience, powers, duties, independence, number of sessions attended by this Member, among other considerations.
11. The payment of the remunerations shall be suspended or refunded if it was found that they were based on inaccurate information submitted by the Member of the Board, Board Committee or Executive Management, to prevent any abuse of power in order to obtain undue remunerations.
12. In the event that a Share Reward Program is developed for the Members of the Board and the Executive Management and its employees, whether a new issuance or shares purchased by the Company, this shall be done under the supervision of the Nominations and Remunerations Committee, as per the

Company AOA, and the CMA related law and regulations..

Remunerations Policy of the Board, Board Committees and Executive Management:

1. Annual Remunerations of the Board Members:

The Member's remuneration has been set at a lump sum of SAR 250k, in addition to SAR 3000 as attendance allowance for each meeting, along with providing means of travel, transport and accommodation for those who reside outside the city of the meeting.

As for the amendment of the Board Members' remunerations and method of payment, the amount of the lump sum annual remuneration of the Member referred to in Clause (1) above may be amended, from time to time, based on recommendations of the Nominations and Remunerations Committee, in light of any performance-related changes, provided that the approval of the Shareholders' General Assembly is obtained. The meeting attendance allowance and the additional attendance allowance shall be paid on a quarterly basis, while the lump sum annual remunerations shall be paid after being approved by the Shareholders' General Assembly.

2. Annual Remuneration of the Board Committees Members:

The Member's remuneration has been set at a lump sum of SAR 50k, in addition to SAR 3000 as attendance allowance for each meeting. Both the remuneration and meeting attendance allowance shall be paid on a quarterly basis.

As for the Board Member / Member of more than one Board Committee, a total amount of SAR 50k shall be calculated for all Committees the Member is a Member therein.

3. Annual Remuneration of the Executive Management:

The Nominations and Remunerations Committee shall review and approve the annual remunerations, as per approved criteria. The Executive Management remunerations include basic salaries, paid at the end of each calendar month, housing and transport allowances, and medical insurance benefits for the official and his family and life insurance, which shall include occupational injury, partial and total disability and occupational fatality.

An annual remuneration shall be disbursed to the Executive Management in relation to the performance indices, as per the Company's bylaws. In addition to other benefits, including without limitation, annual leaves, annual tickets and end of service gratuity, as per the Labor Law and the Company-approved HR policy.

The CEO shall implement the Remunerations Policy of employees and Senior Executives, as per the recommendations of the Nominations and Remunerations Committee and the Board approval.

4. Other Expenses and Benefits:

The Company shall be liable for the cost of accommodation and flight tickets for all Members of the Board, Board Committees and Executive Management if the meeting was held in an outer city. All tickets shall be return tickets for all Members of the Board and Board committees, on first class or business, subject to availability.

The following Table shows the fixed and variable remunerations paid to the Board Members in 2022, and the amounts paid to the Company Senior Executives (including the CEO and the CFO), as well as the remunerations of the Members of the three Board Committees.

(A) Remunerations of the Board Members - 2022

S	Name	Fixed Remuneration							Variable Remuneration						End of Service Gratuity	Grand Total	Expenses Allowance	Arrangements or Assignment of Agreements of Any Remunerations
		Lump Sum	Board Session Attendance Allowance	Total Allowance for Committees Sessions Attendance	In-kind Benefits	Employees' Technical and Administrative Remunerations	Remuneration of Board Chairman, Managing Director, or Secretary, if a Member	Total	Share of Profits	Bonuses	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (Insert Value)	Total				
First: Independent Members																		
1	Khalid Anib	200,000	18,000	9,000	0	0	0	227,000	0	0	0	0	0	0	0	227,000	0	0
2	Ramzi Bin kanaan Abu Khadra	200,000	15,000	18,000	0	0	0	233,000	0	0	0	0	0	0	0	233,000	0	0
3	Raed Bin Abdulaziz Abu Zinada	200,000	15,000	12,000	0	0	0	227,000	0	0	0	0	0	0	0	227,000	0	0
4	Faisal Bin Mohammed Shaker	200,000	18,000	18,000	0	0	0	236,000	0	0	0	0	0	0	0	236,000	0	0
Total		800,000	66,000	57,000	0	0	0	923,000	0	0	0	0	0	0	0	923,000	0	0
Second: Non-Executive Members																		
5	Majid Bin Abdul Mohsen Al Hokair	200,000	18,000	0	0	0	0	218,000	0	0	0	0	0	0	0	218,000	0	0
6	Bandar Bin Khalid Al Hokair	200,000	15,000	0	0	0	0	215,000	0	0	0	0	0	0	0	215,000	0	0
7	Amr Bin Abdulaziz Al Jalal	200,000	15,000	18,000	0	0	0	233,000	0	0	0	0	0	0	0	233,000	0	0
8	Iyad Bin Abdul Rahman Al Bunyan	200,000	18,000	6,000	0	0	0	224,000	0	0	0	0	0	0	0	224,000		
Total		800,000	66,000	24,000	0	0	0	890,000	0	0	0	0	0	0	0	890,000	0	0
Third: Executive Members																		
9	Sami Bin Abdul Mohsen Al Hokair	200,000	15,000	12,000	0	0	0	227,000	0	0	0	0	0	0	0	227,000	0	0
Total		200,000	15,000	12,000	0	0	0	227,000	0	0	0	0	0	0	0	227,000	0	0
Grand Total		1,800,000	147,000	93,000	0	0	0	2,040,000	0	0	0	0	0	0	0	2,040,000	0	0

(B) Remunerations of Top 5 Senior Executives - 2022

S	Name	Fixed Remuneration				Variable Remuneration					End of Service Gratuity	Total Remunerations of Board Executives, if any	Grand Total	Arrangements or Assignment of Agreements of Any Remunerations
		Salaries	Allowances	In-kind Benefits	Total	Bonuses	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Bonuses	Granted Shares (Insert Value)	Total		
Total		4,271,200	1,615,660	18,000	5,886,860							318,545	215,000	6,420,405

(C) Remunerations of the Committees Members

S	name	Fixed Remunerations (except Session Attendance Allowance)	Session Attendance Allowance	Total	Arrangements or Assignment of Agreements of Any Remunerations
Audit Committee Members					
1	Ramzi Bin Kanaan Abu Khadra	0	18,000	18,000	0
2	Amr Bin Abdulaziz Al Jalal	0	18,000	18,000	0
3	Sulaiman Mohammed Alquhidan	100,000	18,000	118,000	0
Total		100,000	54,000	154,000	0
Nominations and Remunerations Committee Members					
1	Iyad Bin Abdul Rahman Al Bunyan	0	6,000	6,000	0
2	Faisal Bin Mohammed Shaker	0	6,000	6,000	0
3	Faisal Bin Mohammed Al Malek	50,000	6,000	56,000	0
Total		50,000	18,000	68,000	0
Executive Committee Members					
1	Sami Bin Abdul Mohsen Al Hokair	0	12,000	12,000	0
2	Khalid Anib	0	9,000	9,000	0
3	Raed Bin Abdulaziz Abu Zinada	0	12,000	12,000	0
4	Faisal Bin Mohammed Shaker	0	12,000	12,000	0
5	Mashaal Bin Abdul Mohsen Al Hokair	50,000	12,000	62,000	0
Total		50,000	57,000	107,000	0
Grand Total		200,000	129,000	329,000	0

4-12 Fines and Penalties

The following Table shows a statement of fines and penalties imposed against the Company and issued from different

government authorities in the Kingdom and these fines do not include any penalty or violation imposed against the Company by the Capital Market Authority (CMA).

s	Violation Type	Violation Issuer	Financial Impact, as in 2022	Violation Cause	Violation Handling
1	Financial	Ministry of Municipal and Rural Affairs (MOMRA)	Low	Violation of Municipality conditions and requirements	Violations corrected, deficiencies and requirements completed
2	Financial	Ministry of Human Resources and Social Development (MHRSD)	Low	Violation of some of the Labor Law conditions and requirements	Situation corrected as per Labor Law conditions
3	Financial	Civil Defense	Low	Violation relevant to the requirements of Civil Defense licenses	Complying with requirements of Civil Defense licenses and licenses renewal

4-13 Company AOA

Al Hokair Group Articles of Association (AOA) is a document that sets the legal regulations and directive principles of the Company activity and the main objective thereof. AOA includes a set of key articles which introduces the Company, its business, organizational structure, measures and policies governing the Company, without prejudice to the provisions of the Companies Law and the Governance Regulations applicable in the Kingdom.

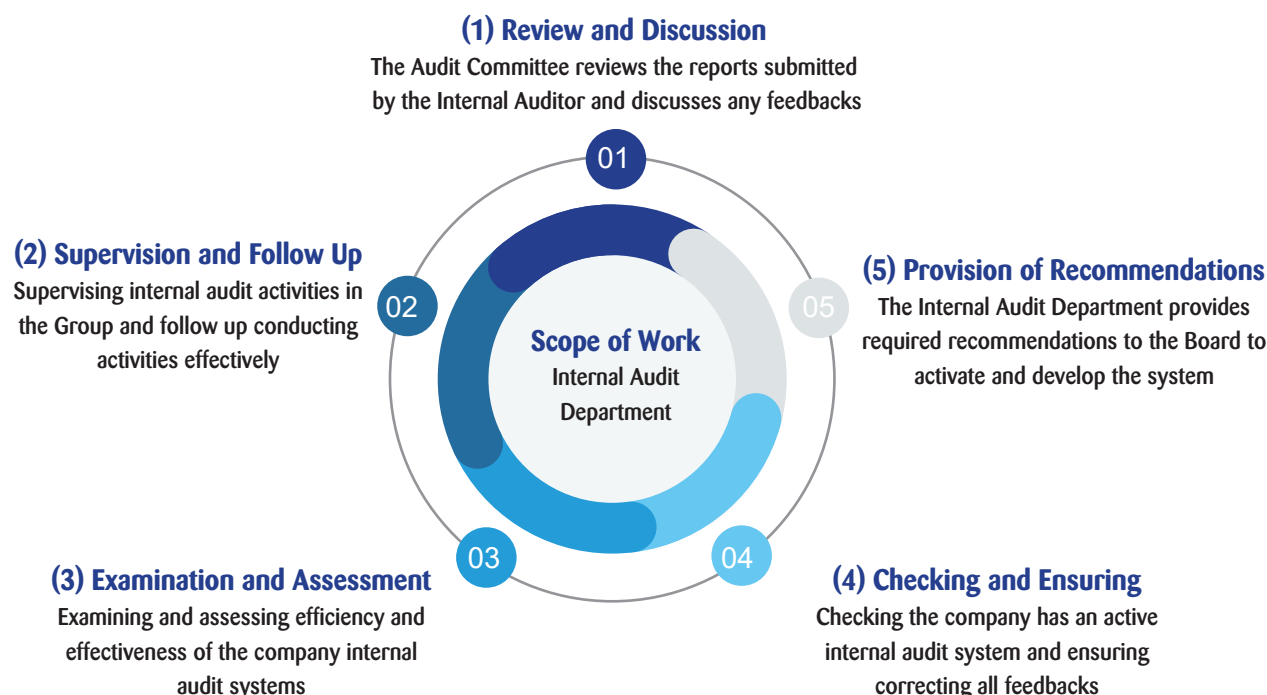
The Company has amended the Company AOA and obtained the approval of the Extraordinary General Assembly (EGA) to the same on 13/05/2019, as per the New Companies Law.

According to the latest updates, based on the resolutions of the EGA meeting held on 06/10/2022, Al Hokair Group AOA shall be composed of 10 Chapters with a total of 55 Articles laying down the regulatory rules of the relations and transactions inside and outside the Company.

4-14 Results of the Annual Audit of the Efficiency of the Company's Internal Controls

Al Hokair Group has an independent Internal Audit Department that directly reports to the Audit Committee. This Department carries out its work according to the Company Board-approved internal audit regulations.

Within the scope of its work, the Internal Audit Department ensures the compliance of the Company and its employees with the laws and regulations issued by the competent authorities, in addition to the Company's bylaws. It also helps the Board meet its responsibilities, with regards to ensuring the presence of an effective internal control system inside the Company.



● Internal Auditor's Report:

Al Hokair Group Internal Audit Department has carried out a number of internal audits during the year, as per the internal audit risk-based plan approved by the Audit Committee, laying special focus on the activities and operations with substantial risks in order to achieve the Company objectives and protect the Company assets.

In this respect, a number of internal audits have been carried out to determine the efficiency and sufficiency of the internal control system. The results of the same were reported to the concerned departments to process remarks, lay down necessary corrective measures and follow up the implementation thereof, and then report the same to the Audit Committee on a regular basis.

● Opinion of the Audit Committee:

Within the scope of the internal audit duties carried out within the framework of the internal audit activity, and after holding discussions with the independent auditor and the Executive Management on Al Hokair Group annual and interim financial

statements for the year 2022, the Audit Committee did not find any substantial deficits in the internal control environment, yet, the efficiency of any internal control system may not be affirmed with full reliability.

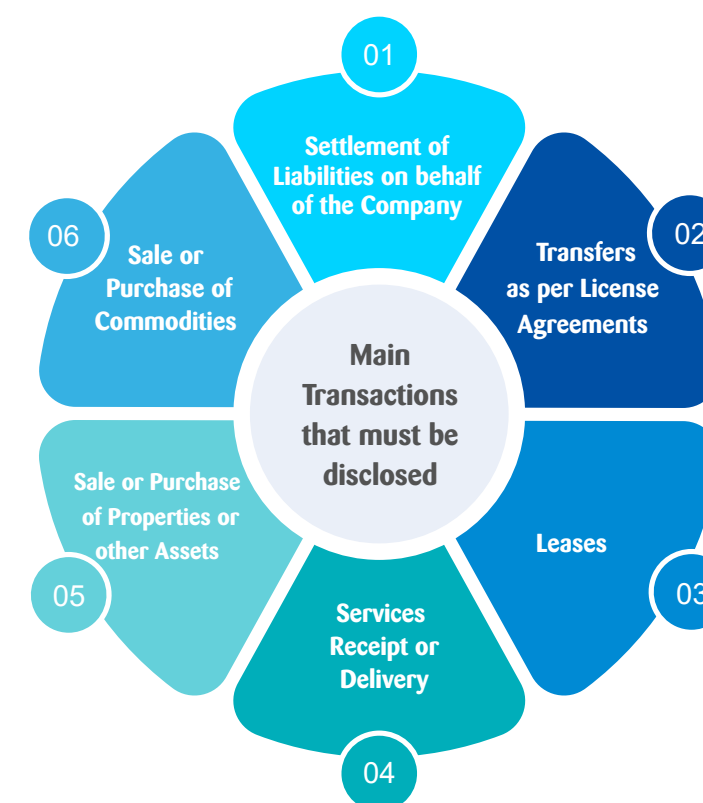
● Recommendation of the Audit Committee on the Need to Appoint an Internal Auditor for the Company, if none:

The Audit Committee did not recommend the appointment of an internal auditor for the Company, as Al Hokair Group has an Internal Audit Department assigned with internal audits. The Audit Committee did not issue any recommendations that conflict with the Board resolutions; neither did the Board reject any of the recommendations filed by the Audit Committee to the Board in 2022.

4-15 Stakeholders and Related Parties

Al Hokair Group has set a number of clear policies and measures regulating its relations with all related parties, including employees, shareholders, vendors, clients, guests among others, to guarantee the rights of the Company and all said parties. The laws and contracts are the main source

for setting the rights and obligations of all stakeholders. The Company works on determining and explaining such contracts, rights and obligations of the contracting parties, method of performance, consequences of non-performance, limits of responsibility, method for settlement of disputes resulting from the implementation of such contracts in a way that protects the Company stakeholder.



The following are the contracts entered with related parties and interests of Board Members and Senior Executives therein:

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
1	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Andalusia Hotel - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	26 Year	1,001,809
2	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Holiday Inn Hotel - Khobar	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	26 Year	3,000,000
3	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, DoubleTree by Hilton Hotel Riyadh - Al Murooj	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	7,994,688
4	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, DoubleTree Hotel - Dhahran	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	4,887,282
5	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Holiday Inn Jeddah Gateway	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	3,863,859
6	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Radisson Blu Resort Jizan	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	16.5 Year	2,787,254
7	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Radisson Blu Plaza Jeddah	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	2,867,745
8	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Radisson Blu Hotel, Jeddah Corniche	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	6,487,997

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
9	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Park Inn Dammam	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	750,000
10	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Holiday Inn Al Khobar Corniche Hotel	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	8 Year	2,997,912
11	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Novotel Yanbu Hotel	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	21 Year	700,000
12	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Suite Novotel Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent, from 1-15 year of SAR 1,150,000 Annually, from 16-20 year of 1,150,000 Annually	20 Year	1,150,000
13	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Annexed Building Lease Contract, Holiday Inn Jeddah Gateway - Jeddah	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	0
14	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Golden Tulip Al-Nasiriah Hotel - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 2,165,000	20 Year	2,165,000
15	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Tulip Inn Hotel - Taif	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 400,000	20 Year	400,000
16	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Sahara Al Khobar Complex	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	573,991

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
17	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Marhaba Building Residence - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 800,000	5 Year	800,000
18	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Accommodation Lease Contract, Radisson Blu Resort Jizan	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 600,000	16 Year	600,000
19	Abdul Mohsen Abdulaziz Fahad Al Hokair	Management Contract, MENA Plaza Hotel - Dubai	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	2% of Total sales in return for Management Fees and 6% Management Incentives of Total Operating Profit and 2% of Rooms Revenue for Marketing and Promotion Fees	10 Year	0
20	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Holiday Inn Al Salam Hotel - Jeddah	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	24 Year	839,355
21	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Red Sea Palace Hotel - Jeddah	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	26 Year	559,432
22	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Golden Tulip Al Jubail Hotel	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	0
23	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Regency Jeddah Hotel	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	0
24	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Al Hamra Hotel Jeddah	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Rent Represents 20% of Revenue	20 Year	990,206

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
25	Beach Resort Half Moon	Investment and Operation Agreement of Beach Resort Half Moon	Owned by Abdul Mohsen Al Hokair and Partners	15-year Investment Agreement of SAR 4,556,469 Annually	15 Year	4,556,469
26	Sami Bin Abdul Mohsen Al Hokair	Lease Contract, Golden Tulip Al Khobar	Board Member	Rent Represents 20% of Revenue	25 Year	2,000,000
27	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Accommodation Lease Contract - Al Khobar	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 100,000 with First two-year of Contract Free	12 Year	0
28	Tanami Arabia Co. Ltd.	Lease Contract, Novotel Dammam Business Park	Abdul Mohsen Abdulaziz Al Hokair Holding Group owns %50	Rent Represents 20% of Revenue	20 Year	2,516,933
29	Abdul Mohsen Abdulaziz Fahad Al Hokair	Management Contract, MENA ApartHotel - Dubai	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	2% of Total sales in return for Management Fees and 6% Management Incentives of Total Operating Profit and 2% of Rooms Revenue for Marketing and Promotion Fees	10 Year	0
30	Musaed Abdul Mohsen Al Hokair	Accommodation Lease Contract, Hilton Hotel - Dhahran	Kinship with Board Members: Majid Al Hokair, Sami Al Hokair and Executive Management Member: Mashaal Al Hokair	Fixed Annual Rent of SAR 585,000	5 Year	585,000
31	Musaed Abdul Mohsen Al Hokair	Accommodation Lease Contract, DoubleTree Al Murooj - Riyadh	Kinship with Board Members: Majid Al Hokair, Sami Al Hokair and Executive Management Member: Mashaal Al Hokair	Fixed Annual Rent of SAR 900,000	5 Year	900,000
32	MENA Company for Education and Human Resources Development	Training of Employees Agreement	Owned by Abdul Mohsen Abdulaziz Al Hokair Holding Group and Abdul Mohsen Abdulaziz Al Hokair Ltd.	Monthly Invoices of SAR 2000 per Trainee + SAR 1500 Annually for Uniform	Annually	656,625

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
Entertainment & HO						
1	Majid Bin Abdul Mohsen Al Hokair	Majid Al Hokair Printing Press	Board Member/ Majid Al Hokair	As per Price Offers Competitively Submitted, the Company Right to Contract with Other Vendors	5 Year	12,017
2	Majid Bin Abdul Mohsen Al Hokair & Khalid Al Hokair's Heirs, (Bandar, Badr and Ahmed)	Lease Contract, Warehouse Plot in Kharj Street – Riyadh	Board Members: Majid Al Hokair, Bandar Al Hokair and Executive Management Member: Badr Al Hokair	No Rent, Asset Ownership transferred to Lessor upon Lapse of Contract	10 Year	0
3	Tanami Arabia Co. Ltd.	Lease Contract, Administrative Office - Dammam	Abdul Mohsen Abdulaziz Al Hokair Holding Group owns %50	Fixed Annual Rent of SAR 414,000 plus 10% Services	3 Year	455,400
4	Tabuk Company for Commercial and Entertainment Projects	Lease Contract, Tabuk Mall	Owned by Abdul Mohsen Al Hokair and Partners	Fixed Annual Rent of SAR 2,500,000	12 Year	2,500,000
5	Riyadh Plastic Factory (RPF)	Plastics Supply Contract	Owned by Abdul Mohsen Al Hokair and Cosmoplast – Riyadh. Abdul Mohsen Abdulaziz Al Hokair Holding Group owns %35 of Cosmoplast – Riyadh	As per Price Offers Competitively Submitted, the Company Right to Contract with Other Vendors	5 Year	312,593
6	Al Hokair Entertainment Games Manufacturing Company	Games Maintenance Contract	Owned by Abdul Mohsen Al Hokair, Musaed Al Hokair and Board Members: Majid Al Hokair, Sami Al Hokair and Partners	As per Price Offers Competitively Submitted, the Company Right to Contract with Other Vendors	5 Year	0
7	Riyadh Plastic Factory (RPF)	Lease Contract, 5 Hangars, Al Baraka Warehouse - Riyadh	Owned by Abdul Mohsen Al Hokair and Cosmoplast – Riyadh. Abdul Mohsen Abdulaziz Al Hokair Holding Group owns %35 of Cosmoplast – Riyadh	Fixed Annual Rent of SAR 200,000	10 Year	200,000

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
8	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, Hangar Azam Developed Building - Jazan	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 1,200,000	13 Year	1,200,000
9	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Female Accommodation Contract - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 200,000	5 Year	200,000
10	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Lease Contract, University Exhibition Building - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 50,000	26 Year	50,000
11	Sami Bin Abdul Mohsen Al Hokair Est.	Accommodation Lease Contract – Restaurant – Al Khobar	Board Member/ Sami Al Hokair	Fixed Annual Rent of SAR 65,790	5 Year	65,790
12	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Maintenance, Operation and Cleaning Services Agreement	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	For Monthly Invoice, Value Calculated as per Average Prices	Annually	1,932,118
13	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Management and Operation Agreement, Al Hokair Center	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	The Company operates and manages the Site for an Annual Rent of SAR 4,500,000	5 Year	4,500,000
14	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Office Lease Contract - Riyadh	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest	Fixed Annual Rent of SAR 1,500,000	10 Year	1,500,000
15	Abdul Mohsen Abdulaziz Al Hokair Holding Group	Compensation Value from Lease Contracts Termination	Board Members: Majid Al Hokair, Sami Al Hokair, Bandar Al Hokair and Executive Management Member: Mashaal Al Hokair have interest			32,677,575

S	Related Party	Nature of Contract	Type of Relation with the Company	Contract Terms	Duration	Value in SAR
Amr Al Jalal						
1	Hamat Holding Company	Site Lease - Panorama Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	5 Year	4,395,000
2	Hamat Holding Company	Site Lease - Dareen Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	10 Year	1,823,500
3	Hamat Holding Company	Site Lease - Aseer Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	10 Year	1,825,500
4	Hamat Holding Company	Site Lease - Manar Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	10 Year	1,215,600
5	Hamat Holding Company	Site Lease - Park Inn Taif	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	15 Year	1,853,500
6	Hamat Holding Company	Kiosk Lease - Panorama Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	1 Year	280,000
7	Hamat Holding Company	Site Lease - Azan Mall	Board Member: Amr Bin Abdulaziz Al Jalal has interest	Two-installment Fixed Annual Rent	10 Year	1,047,800
Iyad Bin Abdul Rahman Al Bunyan						
1	Alargan Projects Company	Site Lease - Green Oasis Mall - Al Thumamah, Riyadh	Board Member: Iyad Bin Abdul Rahman Al Bunyan has interest	One-installment Fixed Annual Rent		786,250

4-16 Shareholders' General Assembly and Board Members Attendance Record

During 2022, Al Hokair Group has held two Shareholders' General Assembly meetings upon the call of the Board of Directors to the Company Shareholders to attend each of the meetings. The meetings were remotely held via modern IT media (Audio and Video) to ensure the safety of Shareholders within the Company efforts exerted and preventive

and precautionary procedures followed by the health authorities in the Kingdom to face COVID-19 pandemic.

The following Table shows a statement of the date of holding the Company Shareholders' General Assembly two meetings, stating the names of Board Members attended and results of voting on the Assembly Agenda:

S	Name	Post	Attendance Record	
			First Meeting OGA	Second Meeting EGA
			27 June, 2022	6 October, 2022
1	Majid Bin Abdul Mohsen Al Hokair	Chairman of the Board of Directors	Attended	Attended
2	Amr Bin Abdulaziz Al Jalal	Vice Chairman	Attended	Attended
3	Sami Bin Abdul Mohsen Al Hokair	Managing Director	Attended	Attended
4	Khalid Anib	Board Member	Attended	Attended
5	Ramzi Bin Kanaan Abu Khadra	Board Member	Attended	Attended
6	Raed Bin Abdulaziz Abu Zinada	Board Member	Attended	Attended
7	Faisal Bin Mohammed Shaker	Board Member	Attended	Attended
8	Iyad Bin Abdul Rahman Al Bunyan	Board Member	Attended	Attended
9	Bandar Bin Khalid Al Hokair	Board Member	Attended	Attended
Total Attendance			9	9



05

Our Shareholders

We Reserve your Rights and
Respect your Trust

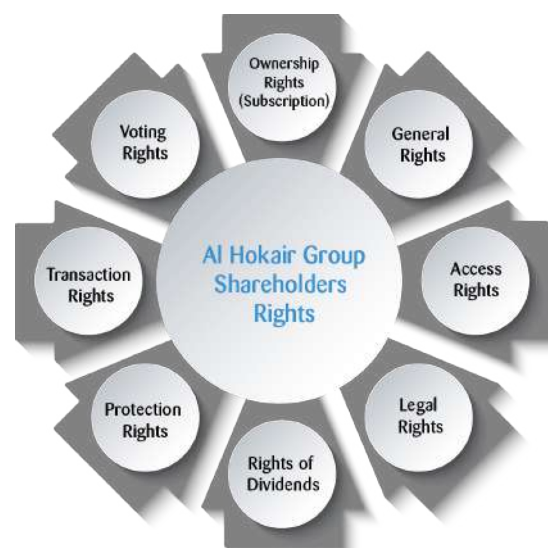
(5) Our Shareholders

We Reserve your Rights and Respect your Trust

5-1 Shareholders' Rights

Al Hokair Group lays the interests of the Company shareholders and the protection of their rights as its utmost priority, by complying with integrity, transparency and credibility with its shareholders to ensure justice and equality and to weigh out the public interests to the private interests.

Therefore, the Group is committed to all successful and prudential policies. The Company Board further takes the necessary measures and decisions to protect the Company shareholders' rights and to ensure non-discrimination against any of them for any reason whatsoever.



5-2 Capital and Owners Structure

The Company capital represents the total cash and in-kind stakes provided by partners upon the incorporation of the Company. In other words, it is the nominal value of shares and partners' stakes. The capital stands as the guarantee for the Company's creditors and the assurance element for shareholders, so long as the capital is stable or being increased with the purpose of expanding business or investing in various projects or being reduced for

excessing the need and so that the surplus is distributed on shareholders.

The authorized and paid-up capital of Al-Hokair Group stands at SAR 315,000,000 divided into 31,500,000 ordinary shares, with a nominal value of SAR 10 per share.

The following Table shows the names, number and ownership percentage of main shareholders who own 5% or more and the change in the percentage in 2022.

Owner	Previous Ownership	Current Ownership	% Change
Abdul Mohsen Abdulaziz Fahad Al Hokair	12.467%	12.467%	0
Abdul Mohsen Al Hokair & Sons Holding Co.	31.50%	31.50%	0

5-3 Foreigners Ownership

Company	Ownership of All Foreign Investors	
	Maximum	Actual Ownership
Al Hokair Group	49%	*3.26%

*as of December, 2022 ,31

5-4 Communication with Shareholders

Al Hokair Group is interested in maintaining an open communication channel with shareholders, being keen on maintaining their rights and interests within the framework of the mutual understanding of the Company's strategic objectives and interests.

Al Hokair Group Board continuously assures communication is achieved between the Company and its shareholders, and thus, maintains more than one communication channel as follows:



5-5 Shareholders' Proposals

Al Hokair Group has allocated a department to receive the proposals of shareholders; namely the Investor Relations Department. After which the proposals are being referred to the Board during the Board meetings in order to take the proper decisions in this respect.

The Board Chairman and the Company CEO are keen to inform all Board Members of the perspectives and views of shareholders and on discussing the same. The Company has further allowed its shareholders

to discuss with the Board Members the Company performance during the General Assembly meetings.

In 2022, no meetings were held with the shareholders outside the scope of the General Assemblies; still, the Company has welcomed meeting any shareholder or investor. Currently, there are active communication channels to hear the shareholders' proposals or complaints. Also, the Company aims to achieve better communication in the future.

6-5 General Assembly Meetings and Prominent Resolutions

In 2022, the Company held only two Shareholders' General Assembly meetings, the first held on 06/06/2022 for the Ordinary General Assembly (OGA) meeting, while the second held on 06/10/2022 for

the Extraordinary General Assembly (EGA) meeting, The following is the attendance sheet and turnout percentages of both meetings:

Member Name	Post	First Meeting 06/06/2022	Second Meeting 06/10/2022
Majid Bin Abdul Mohsen Al Hokair	Chairman of the Board of Directors	Attended	Attended
Amr Bin Abdulaziz Al Jalal	Vice Chairman	Attended	Attended
Sami Bin Abdul Mohsen Al Hokair	Managing Director	Attended	Attended
Bandar Bin Khalid Al Hokair	Board Member	Attended	Attended
Khalid Anib	Board Member	Attended	Attended
Ramzi Bin Kanaan Abu Khadra	Board Member	Attended	Attended
Raed Bin Abdulaziz Abu Zinada	Board Member	Attended	Attended
Faisal Bin Mohammed Shaker	Board Member	Attended	Attended
Iyad Bin Abdul Rahman Al Bunyan	Board Member	Attended	Attended

OGA First Meeting:

The Company Board has invited the Company shareholders to attend its Ordinary General Assembly (OGA) meeting held on 06/06/2022, during which the Company shareholders discussed the meeting agenda and issued the following resolutions:

- Approval of the Company Auditor's report for the fiscal year ended on 31/12/2021.
- Approval of the financial statements for the fiscal year ended on 31/12/2021.
- Approval of the Company Board's report for the fiscal year ended on 31/12/2021.
- Approval of the appointment of a Company Auditor from among the nominees, based on the recommendation of the Audit

Committee, to examine, review and audit the Company's financial statements for Q2 and Q3 of the fiscal year 2022 and Q1 of 2023, and determining the Auditor's remuneration.

- Approval of the discharge of Board of Directors Members for the fiscal year ended on 31/12/2021.
- Approval of the payment of the amount of SAR 2,092,344 as a remuneration for the Board Members for the fiscal year ended on 31/12/2021.
- Approval of the payment of a remuneration for the Audit Committee Members of SAR 168,806 for the fiscal year ended on 31/12/2021.
- Approval of the business and contracts concluded by and between the Company

and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Al Andalusia Hotel. It should be noted that these transactions are carried out last year at SAR 1,278,006; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Golden Tulip Al-Nasiriah Hotel. It should be noted that these transactions are carried out last year at SAR 2,165,000; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Sami Al Hokair, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Golden Tulip Al Khobar Hotel. It should be noted that these transactions are carried out last year at SAR 2,778,234; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Holiday Inn Al Khobar Hotel. It should be noted that these transactions are carried out last year at SAR 2,631,220; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Holiday Inn Al Khobar - Corniche Hotel. It should be noted that these transactions are carried out last year at SAR 4,534,114; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Red Sea Palace Hotel - Jeddah at 20% of the total revenues maximum, it should be noted that these transactions are carried out last year at SAR 898,783, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Tabuk Company for Commercial and Entertainment Projects (owned by Abdul Mohsen Al Hokair Holding Group and Abdul Mohsen Al Hokair and Sons Holding), in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Tabuk Mall (Tabuk). It should be noted that these transactions are carried out last year at SAR 2,500,000, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Al Hokair & Sons Holding Co., in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to Mena Hotel Taif. It should be noted that these transactions are carried out last year at SAR 400,000, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Al Hokair & Sons Holding Co., in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a contract of Novotel Suites Riyadh Hotel. It should be noted that these transactions are carried out last year at SAR 1,150,000, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Al Hokair & Sons Holding Co., in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of University Exhibition Building - Riyadh. It should be noted that these transactions are carried out last year at SAR 50,000, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Sami Abdul Mohsen Al Hokair Company, in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an accommodation lease contract of Holiday Inn Al Khobar. It should be noted that these transactions are carried out last year at SAR 65,790, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Tanami Arabia Co. Ltd. (in which Abdul Mohsen Al Hokair Holding owns 50%), in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract for Novotel Dammam Business Park Hotel. It should be noted that these transactions are carried out last year at SAR 2,692,699, i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Tanami Arabia Co. Ltd. (in which Abdul Mohsen Al Hokair Holding owns 50%), in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract for an Administrative Office, Expansion, Diamond Card Office - Dammam. It should be noted that these transactions are carried out last year at SAR 480,400, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Riyadh Plastic Factory (RPF) (owned by Abdul Mohsen Al Hokair and Cosmoplast Riyadh - in which Abdul Mohsen Abdulaziz Al Hokair Holding Group owns 35% of Cosmoplast Riyadh), in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a supply contract for plastic materials. It should be noted that these transactions are carried out last year at SAR 321,869, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Riyadh Plastic Factory ((RPF) (owned by Abdul Mohsen Al Hokair and Cosmoplast Riyadh - in which Abdul Mohsen Abdulaziz Al Hokair Holding Group owns 35% of Cosmoplast Riyadh), in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract for 5 hangars at Al Baraka Warehouse - Riyadh. It should be noted that these transactions are carried out last year at SAR 200,000, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a management and operation agreement of Al Hokair Center for Sport and Entertainment, Al Rabwah Project - Riyadh. It should be noted that these transactions are carried out last year at SAR 4,500,000; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an accommodation lease contract of Radisson Blu Resort Jizan. It should be noted that these transactions are carried out last year at SAR 600,000, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaед Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Hilton DoubleTree Hotel - Dhahran. It should be noted that these transactions are carried out last year at SAR 605,742; i.e. 20% of the total revenues, without preferential or benefits terms.

be noted that these transactions are carried out last year at SAR 2,780,208; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Musaed Al Hokair (for the previous tenure), in which the Board Member Musaed Al Hokair (for the previous tenure) had a direct interest in, and in which the following Board Members have an indirect interest in: Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an accommodation lease contract of Hilton DoubleTree Hotel – Dhahran. It should be noted that these transactions are carried out last year at SAR 585,000; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Musaed Al Hokair, in which the Board Member Musaed Al Hokair (for the previous tenure) had a direct interest, and in which following Board Members have an indirect interest in: Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an accommodation lease contract of Hilton DoubleTree Hotel – Riyadh. It should be noted that these transactions are carried out last year at SAR 900,000; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of DoubleTree by Hilton Hotel Riyadh - Al Murooj. It should be noted that these transactions are carried

out last year at SAR 6,924,605; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Majid Al Hokair Printing Press, in which the Board Member Majid Al Hokair has an indirect interest. These contracts relate to a contract for the supply of design and printing works. It should be noted that these transactions are carried out last year at SAR 112,710; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Regency Jeddah Hotel. It should be noted that these transactions are carried out last year at SAR 11,719; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Golden Tulip Al Jubail Hotel. It should be noted that these transactions are carried out last year at SAR 163,566; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company

and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Radisson Blu Resort Jizan. It should be noted that these transactions are carried out last year at SAR 3,470,614; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Radisson Blu Plaza Jeddah Hotel. It should be noted that these transactions are carried out last year at SAR 2,552,246; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Holiday Inn Al Salam Hotel - Jeddah. It should be noted that these transactions are carried out last year at SAR 1,685,399; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair

Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Holiday Inn Jeddah Gateway. It should be noted that these transactions are carried out last year at SAR 4,149,619; i.e. 20% of the total revenues, without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of a building annexed to Holiday Inn Jeddah Gateway. It should be noted that these transactions are carried out last year at SAR 14,491; i.e. 15% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Radisson Blu Hotel, Jeddah Corniche. It should be noted that these transactions are carried out last year at SAR 5,751,216; i.e. 20% of the total revenues, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdul Aziz Al Hokair, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami

- Al Hokair and Bandar Al Hokair. These contracts relate to a management contract of MENA Plaza Hotel - Dubai. It should be noted that these transactions are carried out last year at SAR 25,732; without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdul Aziz Al Hokair Company, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a management contract of MENA ApartHotel - Dubai. It should be noted that these transactions are carried out last year at SAR 91,477; without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Marhaba Building Residence. It should be noted that these transactions are carried out last year at SAR 800,000; without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an accommodation lease contract at Al Khobar. It should be noted that these transactions are carried out last year at SAR 25,506; without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Hangar Azam Developed Building, at Jazan for the accommodation and operation of Al Hokair Time. It should be noted here that the annual rental fees were SAR 1,200,000; without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of Novotel Yanbu Hotel. It should be noted here that the annual rental fees are SAR 2,280,064; i.e. 20% of the total revenues, without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a female accommodation lease contract in Riyadh. It should be noted that these transactions are carried out last year at SAR 200,000; without preferential or benefits terms.
 - Approval of the business and contracts concluded by and between the Company

and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of the Company Headquarters in Riyadh (SAR 1,500,000); without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group, in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a maintenance, operation and cleaning services agreement (SAR 1,197,471); without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and Majid Al Hokair and the heirs of Khalid Al Hokair (Bandar Bin Khalid Abdul Mohsen Al Hokair, Badr Bin Khalid Abdul Mohsen Al Hokair and Ahmed Bin Khalid Abdul Mohsen Al Hokair), in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to a lease contract of a warehouse plot in Al Kharj Street. It should be noted that these transactions are carried out last year, without preferential or benefits terms.
- Approval of the business and contracts concluded by and between the Company and MENA Company for Education & Development "Abdul Mohsen Al Hokair High Institute For Hospitality" (owned by Abdul Mohsen Abdulaziz Al Hokair Holding Group and Abdul Mohsen Abdul Aziz Co.

Ltd.), in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an agreement for training employees. It should be noted that these transactions are carried out last year at SAR 228,984; without preferential or benefits terms.

- Approval of the business and contracts concluded by and between the Company and Beach Resort Half Moon (owned by Abdul Mohsen Al Hokair and partners), in which the following Board Members have an indirect interest in: Musaed Al Hokair (for the previous tenure), Majid Al Hokair, Sami Al Hokair and Bandar Al Hokair. These contracts relate to an investment and operation agreement of Half Moon Beach Hotel. It should be noted that these transactions are carried out last year at SAR 4,556,469; without preferential or benefits terms.

- Approval of the participation of the Board Member Majid Al Hokair in a business that is competitive to the Company business.
- Approval of the participation of the Board Member Sami Al Hokair in a business that is competitive to the Company business.
- Approval of the participation of the Board Member Bandar Al Hokair in a business that is competitive to the Company business.
- **EGA Meeting**
The Company Board of Directors invited the Company shareholders to attend the Extraordinary General Assembly (EGA) meeting held on 06/10/2022, during which the Company shareholders discussed the meeting agenda and issued the following resolutions:
 - Approval of the Board recommendation on the reduction of the Company capital from SAR 650,000,000 to SAR 315,000,000 with a reduction percentage of 51.54% with the aim of restructuring the Company capital and for the amortization of 98.93% of the accumulated losses, as shown in the following Table:

Capital before Reduction	SAR 650,000,000
Shares No. before Reduction	65,000,000 Shares
Percentage of Capital Reduction	51.54% (Voiding of 67 Shares out of every 130 Shares)
Capital after Reduction	SAR 315,000,000
Shares No. after Reduction	31,500,000 Shares
Reason for Reduction	Restructuring the Company capital for the amortization of 98.93% of the accumulated losses as at June 30, 2022.
Method of Capital Reduction	Voiding of 33,500,000 Shares
Date of Reduction	End of second day of trading following the extraordinary General Assembly meeting in which the capital reduction was decided.

- Approval of the amendment of Article (7) of the Company Articles of Association (AOA) on capital.
- Approval of the amendment of Article (8) of the Company Articles of Association (AOA) on shares subscription.

5-7 Company Requests and Causes to the Shareholders Register in 2022

Number of the Company Requests to the Shareholders Register, Dates and Causes of the Requests

S	Request Date	Request Causes
1	14/12/2022	Company Procedures
2	06/10/2022	General Assembly
3	05/10/2022	Company Procedures
4	28/06/2022	Company Procedures
5	27/06/2022	General Assembly
6	27/06/2022	General Assembly
7	26/06/2022	Company Procedures
8	20/06/2022	Company Procedures
9	14/04/2022	Company Procedures
10	13/04/2022	Company Procedures

5-8 Distribution of Dividends

Al Hokair Group Board of Directors lays down a clear policy on the distribution of dividends in a way that lies in the best interest of both the Group and the Group shareholders at the same time. The Company is keen on informing its shareholders of such policy during the General Assembly meeting, and the said policy shall be referred to in the Board of Directors' report.

The disbursement of share dividends depends on the Company Board assessment and recommendation which are based on the following factors:

- The Group financial status.
- The results of the Group operations.
- The cash flows needs on both the short and long terms.
- The expansion considerations in the Group various projects.

- The obligations and limitations that restrict such distributions.
- Covering the losses incurred by the Company over the past years after detaining legal allocations and reserves.

Company Policy on Dividends Distribution:

Article (48) of Al Hokair Group Articles of Association stipulates that the annual net profits of the Company shall be distributed as follows:

1. Ten percent (10%) of the net profit shall be set aside to form a statutory reserve. Such allocations to the statutory reserve may be discontinued by the Ordinary General Assembly (OGA) when the statutory reserve amounts to thirty percent 30% of the Company's share capital.

2. The Ordinary General Assembly may, at the request of the Board, set aside ten percent (10%) of the net profits to build up an additional reserve.
3. The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the shareholders. The said OGA may also withhold certain amounts from the net profits for the creation of social organizations for the Company's employees and workers, or for supporting such organizations as may already be in existence.
4. Out of the balance of the net profits, shareholders shall receive a payment amounting to one percent (1%) of the Company's paid-up capital. The Company may distribute phased profits on shareholders on a quarterly or semi-annual basis according to CMA regulations in this respect. After obtaining authorization from OGA of the Company's Board of Directors to distribute phased profits to be renewed on an annual basis.

5-9 Company Share Performance in 2022

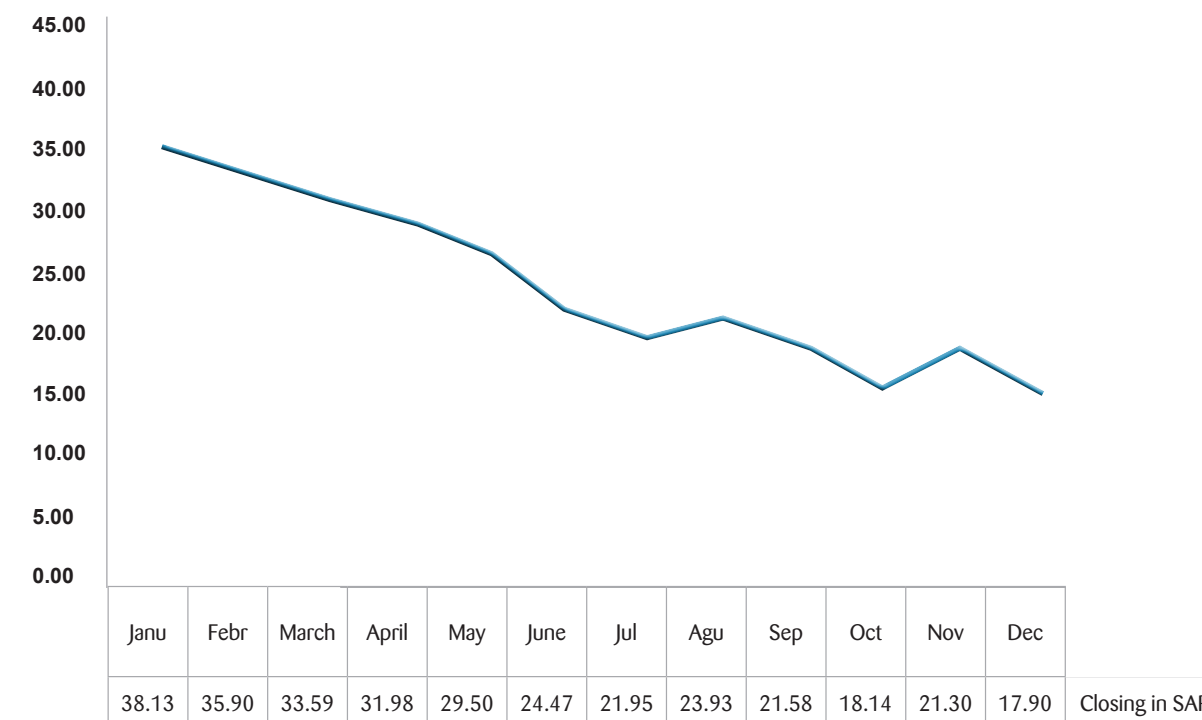
The Annual Change in "Al Hokair Group" Share Price between 2021 and 2022

Share Closing by the end of 2021 (in SAR)	35.65
Share closing by the end of 2022 (in SAR)	17.90
Annual Change (in SAR)	-17.75
Annual Change (%)	-49.79

The Monthly Change in "Al Hokair Group" Share Price in 2022 – Prices in SAR

Month	Highest Price	Lowest Price	Closing at the Current Month	Closing at the Previous Month	Change	Change %
January	39.36	34.66	38.13	35.65	2.48	6.96
February	38.70	34.25	35.90	38.13	-2.23	-5.85
March	35.94	33.22	33.59	35.90	-2.31	-6.43
April	33.84	30.66	31.98	33.59	-1.61	-4.79
May	31.69	27.48	29.50	31.98	-2.48	-7.75
June	30.95	22.65	24.47	29.50	-5.03	-17.05
July	25.58	20.88	21.95	24.47	-2.52	-10.30
August	29.09	21.91	23.93	21.95	1.98	9.02
September	24.26	20.01	21.58	23.93	-2.35	-9.82
October	22.78	17.78	18.14	21.58	-3.44	-15.94
November	22.18	18.00	21.30	18.14	3.16	17.42
December	21.76	17.10	17.90	21.30	-3.40	-15.96

Development of "Al Hokair Group" Share Performance in 2022



Development of "Al Hokair Group" Share Trading in 2022

Month	Amounts (Shares)	Value (in SAR)	Deals
January	4,633,616	172,949,731.86	21,651
February	3,005,851	111,350,904.72	16,174
March	3,290,968	113,486,517.52	17,323
April	2,060,165	66,304,955.50	11,111
May	3,447,757	103,199,662.24	14,458
June	4,488,112	114,744,036.54	17,026
July	4,630,342	101,866,660.76	17,928
August	13,538,500	350,819,668.78	55,518
September	5,498,532	122,810,841.11	24,296
October	7,502,414	150,360,363.50	26,346
November	8,514,070	171,704,809.64	28,928
December	2,456,832	46,958,354.44	11,586
Total	63,067,159	1,626,556,506.61	262,345

5-10 Company Disclosures on “Tadawul” in 2022

S	Announcement Date	Announcement Title
1	29/03/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the annual financial results ended on 31/12/2021
2	24/05/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the interim financial results for the period ended on 31/03/2022 (3 months)
3	06/06/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of inviting its shareholders to attend the Ordinary General Assembly (OGA) meeting (first meeting)
4	13/06/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the Board recommendation on the Company capital reduction
5	28/06/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the results of the Ordinary General Assembly meeting (first meeting)
6	28/06/2022	Addendum announcement from Abdul Mohsen Al Hokair Group for Tourism and Development Co. in regards to the voting results of the Ordinary General Assembly (first meeting)
7	25/08/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the interim financial results for the period ended on 30/06/2022 (six months)
8	29/08/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the measures to be taken and time frames after the accumulated losses thereof reached 52.1% of the capital
9	31/08/2022	Addendum announcement from Abdul Mohsen Al Hokair Group for Tourism and Development Co. in regards to the Board's recommendation to decrease the Company capital
10	08/09/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the submission of the Company capital reduction application file to CMA
11	11/09/2022	Abdul Mohsen Al Hokair Group for Tourism & Development announcement of the entering into negotiations with Abdul Mohsen Al Hokair Holding Group (a related party) to acquire hotel assets
12	12/09/2022	Correction announcement from Abdul Mohsen Al Hokair Group for Tourism and Development Co. in regards to the announcement of the submission of the decrease of the Company capital reduction application file to CMA
13	21/09/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of inviting its shareholders to attend the Extraordinary General Assembly meeting whose agenda included capital reduction (first meeting)
14	26/09/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of contract sign off with a commercial company whose activity is entertainment

S	Announcement Date	Announcement Title
15	09/10/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the results of the Extraordinary General Assembly meeting approving capital reduction (first meeting)
16	06/11/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of depositing proceeds from the sale of fractional shares resulting from the Company capital reduction in the bank accounts of eligible shareholders
17	08/11/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of its interim financial results for the period ended on 30/09/2022 (nine months)
18	17/11/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement of the reduction of its accumulated losses to 0% of the capital
19	07/12/2022	Abdul Mohsen Al Hokair Group for Tourism and Development Co. announcement that Asateer Al Khaleej Company (a sister company) opened a new branch in Jeddah under the name of (Padel in)



06

Sustainability and Social Impact

Contributing to the Establishment of
a Sustainable Community

(6) Sustainability and Social Impact

Contributing to the Establishment of a Sustainable Community

6-1 Company's Perspective of Sustainability

Within the Group's strategy, Al Hokair Group adopts its own corporate sustainability policies on which the Company is based. The Group merges the concept of sustainability in its decision-making process. This gives the Group a competitive edge by realizing the importance of sustainability as a basic factor for achieving profitability on the long run.

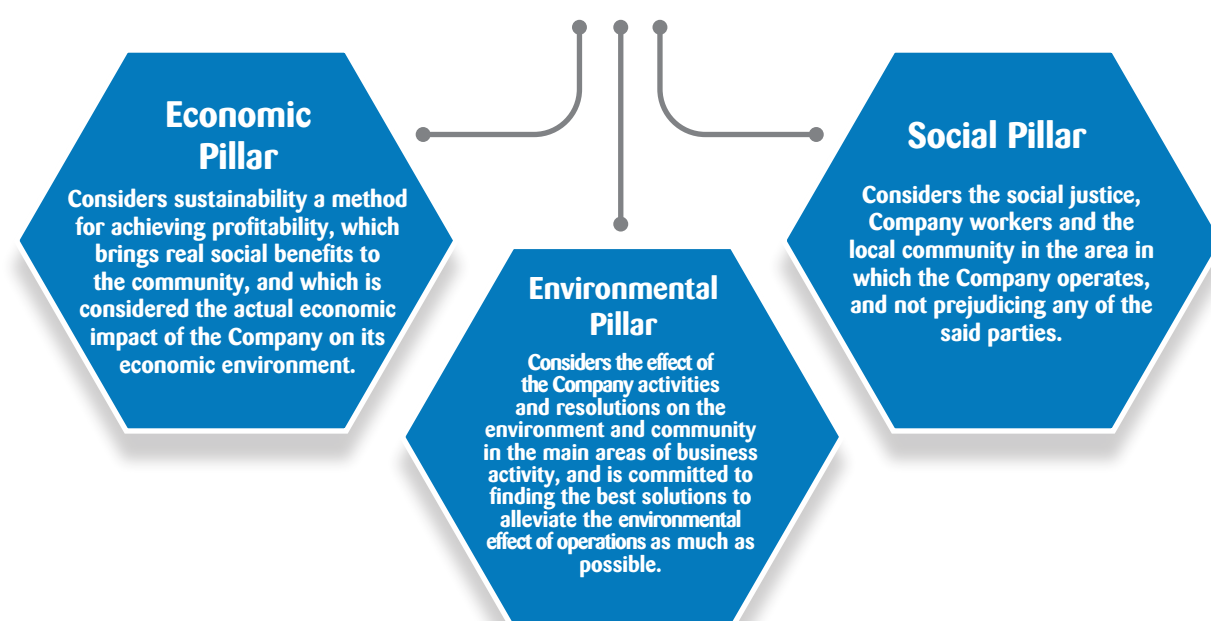
The Company believes that merging sustainability within its business strategy shall contribute to enhancing its commercial business without adversely affecting the environment or the community as a whole. The Company takes into consideration a wide range of environmental, economic and social factors upon taking any of its

business decisions, and then, carefully monitors the effect of such decisions on its business environment and social system.

Pillars of Sustainability:

In achieving sustainability, Al Hokair Group depends on three main pillars; the social pillar, the environmental pillar and the economic pillar, and thus, the Company always takes into consideration the formulation of decisions in accordance with the principle of sustainability. Based on such decisions, the Company plans for years and decades to come, which allows the Company to look beyond profits and losses upon building its strategy.

Al Hokair Group Pillars of Sustainability

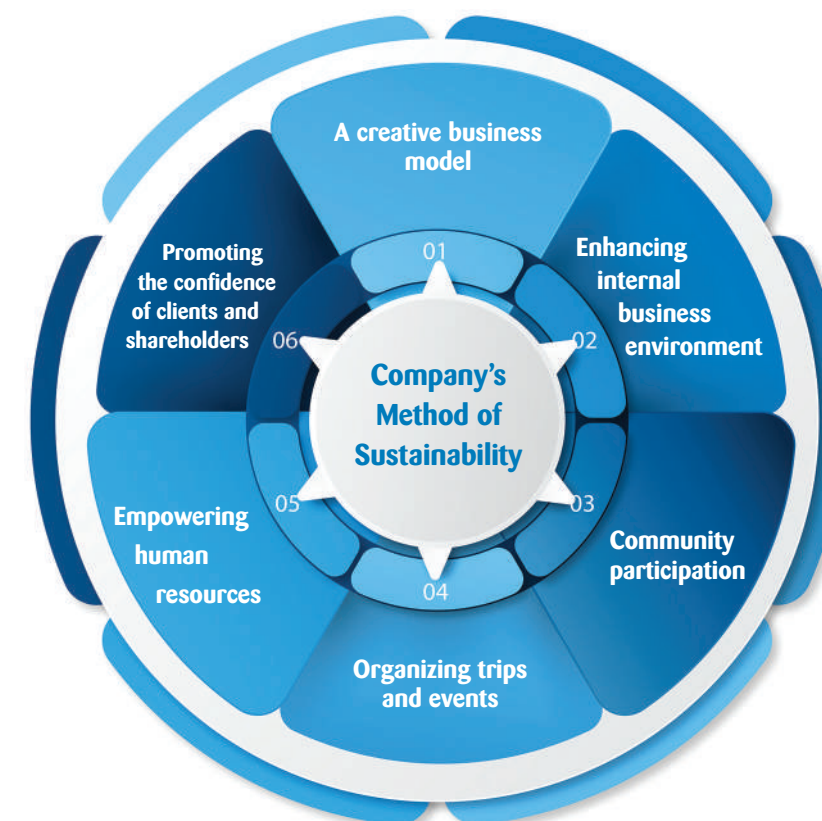


Method of Sustainability

"Al Hokair Group" seeks to lay down the sustainability objectives and works on achieving the same and on maximizing the added value of its business for all its stakeholders. The Company further aims to enhance its positive fingerprint on the community and to activate responsibility

towards the social, environmental and economic issues, taking into consideration the requirements of the upcoming generations.

The following are the most important features for the Company's compliance to the issues of social, environmental and economic sustainability:



1. Applying a creative business model that aims to achieve profitability and public interest at the same time.
2. Giving a special attention to enhance the internal business environment under a family umbrella that enjoys harmony and understanding among its members in order to achieve better effectiveness and efficiency.
3. Participating in the national celebrations, public events and international galas, in a way that brings the Group closer to other parties.
4. Organizing trips and events for employees, and engaging employees in the special events to fill in the social gap between the Company and its employees
5. Empowering the human resources to play a positive role towards the Company employees and management, in a way that achieves some sort of balance between the objectives of both parties.
6. Enhancing the confidence of clients and shareholders alike, through the provision of high quality services and products that maximizes the Company's profits.

6-2 Company Activities within the Framework of CSR

Ataa Community Service

Within the framework of its ambitious strategy, Al Hokair Group has deepened its role in building an integrated community built on solidarity and unity of social texture among the nation's people, within the framework of the Corporate Social Responsibility (CSR) adopted by the Company Management, and supervising the activities practiced in this respect.

Stemming from the Group's sense of social responsibility and belief in the role of the private sector in community development and partnership, the Company has launched Ataa Center in 2006 for providing community development Programs and providing its services to the community of all its classes and segments. The Company has worked on developing the same through the Programs provided on an annual basis in partnership with the government and private sector entities.

The Center has allocated a number of Programs that directly addressed all family members, specially children, by increasing the child's awareness, knowledge and skills. The Center gives special care to the youth through standing by them, giving them necessary support and facilities including offering advice for young people and helping them in preparing feasibility

studies, in relation to the projects which they would like to establish.

Over the past years, the Center has concluded a number of agreements; namely:

- An agreement for marketing handmade products in cooperation with the Supreme Commission for Tourism (SCT).
- A strategic partnership agreement with Etaam Charity (food saving) in the Eastern, Central and Western regions.

All community categories benefit from the services of Ataa Center, with special focus on:

- Children, being the main targeted category in entertainment sector, and thus, come first in community service.
- Youth and job seekers, being the biggest category in the community.

Ataa Community Service Programs

In order to achieve the objectives of Ataa Center, in relation to community development and to enhance the principle of community integration, the Center has launched "Ataa Programs" which are excellent and comprehensive programs that cover the most prominent community problems, including the following:



- Ataa Academic and Research Programs

Ataa academic and research programs generally aim to push down the wheel of education and promote research process. One of the most prominent examples is the cooperation held between the Center and king Saud University to launch "Abdul Mohsen Al Hokair Nutrition and Human Health" research program.

- Ataa Rehabilitation and Recruitment Programs

Within the framework of Al Hokair Group efforts for the Saudization of jobs, the Center offers rehabilitation and recruitment programs, and other different programs for the sake of qualifying the Saudi youth and preparing them for the labor market.

- Ataa Volunteer Programs

Ataa volunteer programs provides volunteering activities to increase the awareness of young people of their community problems and to enhance their sense of responsibility in order to empower them to steer the wheel of future boom and achievement.

- Ataa Awareness Programs

Ataa awareness programs focus on a number of fields to address the problems and issues that the community faces through the awareness campaigns that discuss those issues and cooperate with external parties in this respect.

- Ataa Support and Care Programs

Ataa support and care programs have contributed to supporting people with special needs through the provisions of a number of activities and services,

in addition to establishing partnerships with organizations that support people with special needs.

Ataa Center As Part of the Community

Al Hokair Group has established Sheikh Abdul Mohsen Community Service Center stemming from the fact that the Group is part of this generous community, and in order to pay back some of the favors of this community, also stemming from the belief in the importance of solidarity and the private sector and CSR role in sustainable development and community partnership.

This Center aims to return the favor of the community of all segments and to promote this community in light of the Islamic values and deeply rooted culture. This has been achieved by introducing initial community programs based on the principles of integration and partnership between both the government and private sectors to provide support and development to individuals and families as a whole, and thus, develop the community.

Special attention has further been given by the Center to the youth and children by launching a number of initiatives in the educational sector that aim to qualify and train the Saudi youth, to help and introduce them to the scopes of work that require the highest degree of professionalism including the tourism and hospitality sectors. The Group has further given special attention to children with special needs by providing them with the necessary care and support and empowerment programs, to enhance the quality of their lives and their living standard.

6-3 Company's Obligations towards COVID19- Pandemic

Al Hokair Group, and similar companies working in the consumer services sector specifically, and those working in other sectors that targeting the public in general, have been largely affected by the COVID-19 pandemic over the past period. The financial outcomes of this sector have dramatically retreated, having seen unprecedented losses as a direct result of the precautionary measures which reduced the Company returns and obstructed its operations as a result of imposing restrictions by the concerned authorities on the normal everyday activities, including companies trips, meetings, local and international travels, as well as the activities of physical fitness centers, entertainment centers, shopping centers and social gatherings.

Accordingly, the companies listed within the consumer services sector (whose fiscal year end as of the end of December) have largely been affected by losing almost one third of its returns in the pandemic year (2020), compared to the previous year. Most of these companies did not recover

from such effects in 2021, and thus, made losses of more than SAR 200 million in 2020 and 2021, compared to profit levels of SAR 500 million before the outbreak of the pandemic.

Towards the end of 2021, the market has started to gradually recover from the effects of the COVID-19 pandemic and the outbreak of the COVID-19 virus, which coincides with reducing preventive measures until officially declaring that such measures have been fully lifted by the end of Q1 of 2022.

Ever since then, the government authorities have resumed their programs which aim to promote the Kingdom as a main touristic destination within the framework of the Kingdom's Vision 2030. This came as the wise Saudi government has taken tangible steps that included launching a free stopover visa for visitors arriving in the Kingdom by air from the Gulf countries, and those who have visas to certain parts in the world, which led to a sudden positive leap in the number of visitors in 2022

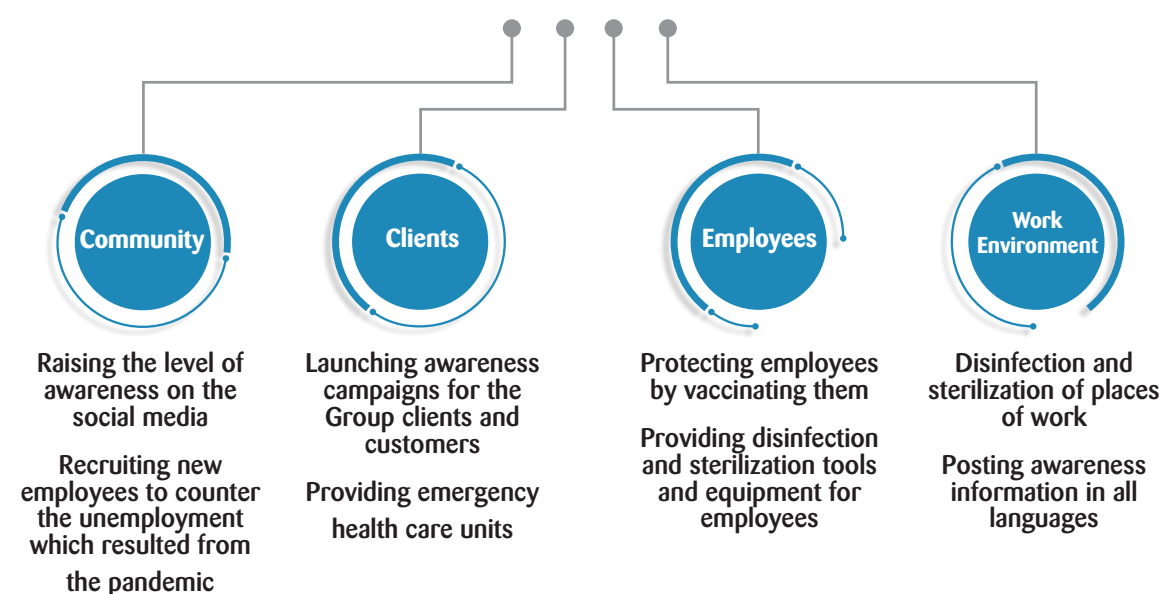


The above has contributed to opening new vistas and creating new opportunities in the Saudi market. Accordingly, Al Hokair Group has taken quick measures to seize such opportunities in order to make the best use of potentials and directing the same to the right path to serve expanding the Company business and to access the biggest number of clients inside and outside the Kingdom.

Despite the outbreak of COVID-19 has decreased in light of the local and international system adopted that reduced the repercussions of the pandemic on

public health, the community, economy and all aspects of life, yet, al-Hokair Group abides by the highest health standards, and gives special care to its employees and clients alike. The Company has left no stone unturned in increasing the awareness and providing continuous guidance. At the same time, the Company abides by securing its labor force's needs to continue the expansion of its activity, and distributes employees to various departments, according to specifications and requirements of each.

Parties Targeted by the Company's Preventive Measures to Combat COVID -19 Pandemic





07

Financial Performance

Cutting Through the Road of Change

(7) Financial Performance Cutting Through the Road of Change

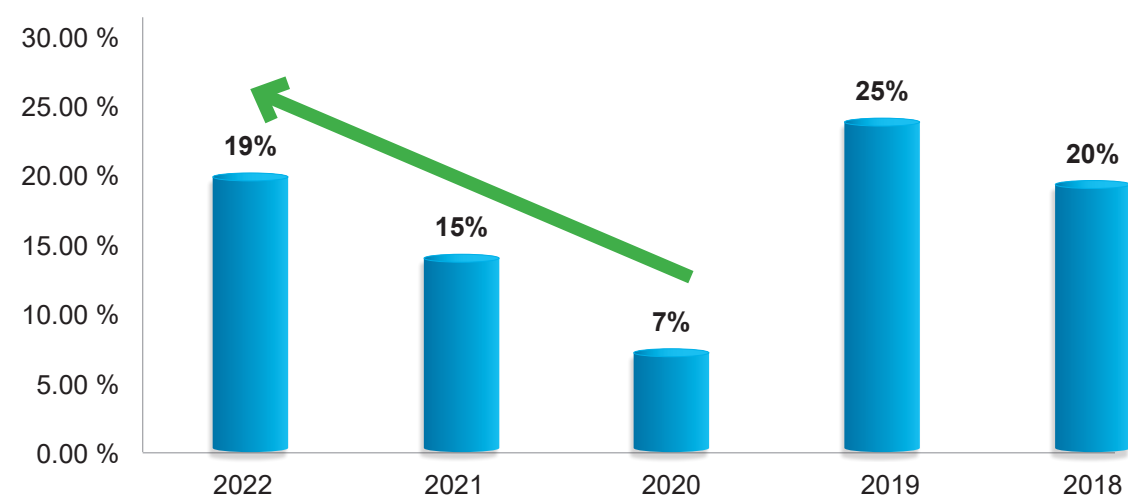
7-1 Development of Financial Results over Five Years

Al Hokair Group managed to make significant strides on growth in its revenues for the second year in a row. This came after its revenues have been largely touched by the COVID-19 pandemic. At the same time, the Group managed to cut down the sales cost as a percentage of sales from 92.50% in 2020 to 81.10% in 2022, which directly resulted from the continuous efforts exerted by the Executive Management in raising the Company's efficiency of expenditure, seeking the best and least costly solutions to effectively manage costs to a suitable scale. Accordingly, the Group gross profit margin leapt from 7.50% in 2020 to 19% in 2022, and thus, the Company reverts back on the right track pre-COVID-19 stretches.

Such measures have reflected on plummeting the Company net losses, having dropped to the deepest dip in 4 years at SAR 81.50 million. This came due to the efforts exerted to underpin revenues and cost reduction, after the major activities of the Company have massively been hurt in 2020 due to the COVID-19 pandemic.

It is well known that ever since the outbreak of the COVID-19 pandemic in 2020, the results of Al Hokair Group have been largely touched by the circumstances and procedures resulted from the spread of COVID-19, just like all other companies largely hurt by this crisis. All of the above have been reflected on the financial results.

Gross Profit Margin



Al Hokair Group entertainment and hotels revenues have been adversely touched since the outbreak of the pandemic, which further dramatically affected the Group financial position, income statement and cash flow. This continued to be the case during 2021 and the first half of 2022. Yet, in the second half of 2022, and towards the

end of the year, signs of hope have started to loom on the horizon as business and results steered towards the right path, and the negative results have started to regain its positive position by the end of Q3 of 2022. Still, the results of previous quarters have affected the results of the entire year, and accordingly the final results were negative.

Abridged Financial Statements of Al Hokair Group over Five Years

All figures are in SAR MLN	2022	2021	2020	2019	2018
Income Statement (Business Results)					
Revenue	720.89	708.42	613.11	1,110.02	1,150.95
Cost of Revenue	(584.87)	(604.65)	(567.15)	(837.94)	(923.42)
Gross Profit	136.02	103.77	45.96	272.08	227.53
Gross Expense	(159.11)	(204.81)	(205.30)	(263.69)	(277.36)
OP / OL	(23.09)	(101.04)	(159.34)	8.39	(49.84)
Net Profit / Loss	(81.49)	(172.52)	(200.16)	(142.99)	(76.05)
EPS/ LPS (in SAR)	(2.59)	(2.97)	(3.64)	(2.60)	(1.38)
Financial Position Statement (Balance Sheet)					
Current Assets	304.27	325.06	244.99	273.81	346.81
Non-current Assets	1,762.66	1,833.09	1,960.32	2,830.95	1,406.25
Total Assets	2,066.94	2,158.15	2,205.31	3,104.75	1,753.06
Current Liabilities	533.44	535.03	778.32	782.94	598.47
Non-current Liabilities	1,243.33	1,251.08	1,179.57	1,882.00	572.25
Total Liabilities	1,776.77	1,786.11	1,957.88	2,664.94	1,170.72
Net shareholders' equity	290.17	372.04	247.42	439.81	582.33
Total Shareholders' Equity and Liabilities	2,066.94	2,158.15	2,205.31	3,104.75	1,753.06
Cash Flows Statement (Activities)					
Operating Activities	115.85	149.28	81.35	365.22	138.00
Investment Activities	(58.03)	(28.29)	(52.56)	(117.47)	(152.06)
Financing Activities	(183.99)	(17.30)	5.05	(267.73)	5.65
Cash and Cash Equivalents (CCE) at the beginning of the year	171.46	67.77	33.83	53.66	62.05
Cash and Cash Equivalents (CCE) by the end of the year	45.21	171.46	67.77	33.83	53.66

7-2 Analysis of Annual Results in Lines

Income Statement

By the end of 2022, Al Hokair Group has reduced its net loss to SAR 81.50 million, compared to a loss of SAR 172.52 million in 2021, and thus losses have plummeted by 53% Year-on-Year (YOY), due to the following factors:

- 1- The Group revenues surged 2% YOY, to reach SAR 720.89 million by the end of the year, compared to SAR 708.42 million in 2021. The said surge is mainly due to the increase of the entertainment sector revenues at 14% YOY, despite, the revenues generated from the hospitality (hotels) sector declined to 6.6% YOY.
- 2- The cost of revenue as a percentage of revenues improved by 81.1%, compared to 85.4% in 2021, reaching SAR 584.87 million, compared to SAR 604.65 million in 2021. Such improvement is mainly due to reducing direct costs in the hospitality (hotels) sector by 12.4% YOY.
- 3- The gross profit notably improved to SAR 136.02 million, compared to SAR 103.77 million in 2021, with an increase of SAR 32.25 million, which marked an annual growth of 31%, due to the hike in the gross profit of both hospitality (hotels) and entertainment sectors by 35.1% and 39.2% respectively.
- 4- The Group net expenses decreased by 22.3% YOY, at SAR 159.11 million, compared to SAR 204.81 million in 2021.
- 5- The operating loss (OP) remarkably decreased to hit SAR 23.09 million by the end of the year, compared to SAR 101.04 million in 2021, with a decrease in losses of SAR 77.95 million, represented an annual decline of 77.2%.

Business Results	(All figures are in SAR MLN)			% of change
	2022	2021	Change	
Revenue	720.89	708.42	12.47	1.76
Cost of Revenue	-584.87	-604.65	19.78	3.27
Gross Profit	136.02	103.77	32.25	31.07
Net Expense	-159.11	-204.81	45.70	22.31
OP / OL	-23.09	-101.04	77.95	77.15
Net Profit / Loss	-81.49	-172.52	91.03	52.77
EPS/ LPS (in SAR)	-2.59	-2.97	0.38	12.80

Statement of Financial Position

1. The Group financial position statement has seen a decrease in total assets by 4.2% YOY by the end of 2022, to hit SAR 2,066.94 million, compared to SAR 2,158.15 million in 2021. The said decline is mainly due to the decrease of non-current assets by 3.8% because of the decline in right-of-use (ROU) assets value during comparison years from SAR 887.61 million to SAR 779.81 million with a decrease by 12.2% YOY.
2. The other end of the Group financial position statement spectrum, being the liabilities item, has seen an annual decrease of 0.52% to reach SAR 1,776.77 million by the end of the year, compared to SAR 1,786.11 million by the end of 2021. The said decline is mainly due to the decrease of non-current liabilities by 0.62%, marking SAR 1,243.33 million, compared to SAR 1,251.08 million in 2021.
3. As for the Net shareholders' equity of the Group shareholders in 2022, this item has seen an annual decrease of 22% YOY, to reach SAR 290.17 million by the end of the year, compared to SAR 372.04 million by the end of 2021. The said plummet is mainly due to the Group capital reduction from SAR 650 million to SAR 315 million.

7-3 An Outlook on Quarterly Results

Al Hokair Group has seen a notable improve in its quarterly financial results in 2022, which steered towards profitability by the end of Q3 of the year, compared to the losses in Q1 and Q2 of the same year.

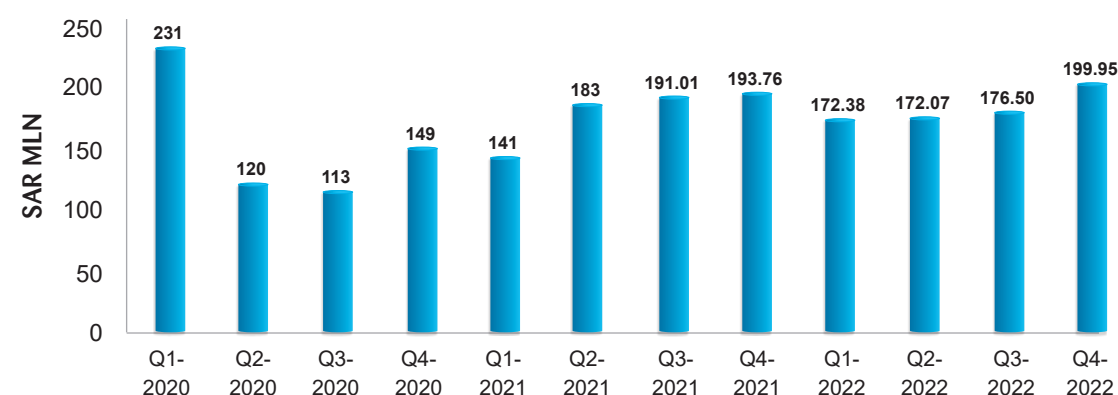
The loss and profit figures during the four quarters of 2022, compared to the figures of similar quarters in 2021, are generally seen as positive. The Company shrunk the losses in Q1 and Q2 of 2022, compared to the same periods last year, reaching 48% and 50% respectively, while the profits jumped in Q3 by 96% YOY.

In Q4 of 2022, the quarterly loss has seen a sharp fall by 46% to reach SAR 27.26 million, compared to a loss of SAR 48.65 million in the same period of 2021.

The Group revenues have seen an improvement in Q1 and Q4 of 2022, which totally reflected on the revenues of the year as a whole. The improvement in Q1 revenues came due to the absorption of the COVID-19 pandemic consequences, and the fact that the Company main activities have made a full power comeback. The said improvement has slowed down in Q2 and Q3 due to the outbreak of the Ukrainian Russian war, which have prevailed its negative impact on the economic activity at both the domestic and international levels.

**Q4 2022 Revenues, the highest
 record of Al Hokair Group since
 Q1 2020**

Development of the Company's Quarterly Revenues



By Q4 of 2022, it seemed that the international political tensions stepped down as the world started to co-exist with the Ukrainian crisis, even on a temporary scale. This has driven the wheel of economic activity once more, and has been reflected on the Group activities inside and outside

the Kingdom. Also, in light of the Executive Management strenuous efforts, the Company has managed to record a remarkable spike in its quarterly results in Q4, with the highest quarterly revenues since Q1 of 2020.

(All figures are in SAR MLN)

Statement	Q1		Q2		Q3		Q4		Total	
Period	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total Revenue	172.377	140.990	172.065	182.652	176.497	191.011	199.954	193.764	720.893	708.417
Gross Profit	28.095	2.039	24.179	27.838	47.032	40.593	36.717	33.302	136.023	103.772
OP / OL	-17.964	-41.941	-22.257	-19.917	24.689	23.858	-7.558	-63.042	-23.090	-101.042
Net Profit / Loss	-31.366	-60.103	-34.974	-69.951	12.115	6.182	-27.262	-48.648	-81.490	-172.52

7-4 Revenues of Main Activities

The Company's main activities are mainly centered on hospitality (hotels) and entertainment, among other activities. The contribution of such activities to the Group

revenues may vary, and accordingly the costs may differ as well. This, consequently, reflects on the gross profit per activity, as shown in the following Table:

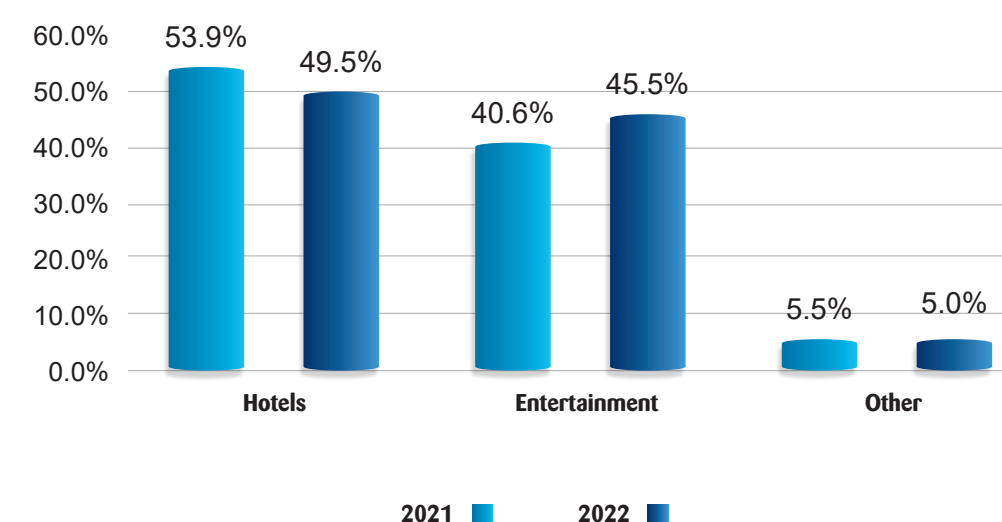
(All figures are in SAR MLN)

Statement	Revenue		Direct Cost		Gross Profit	
Year	2022	2021	2022	2021	2022	2021
Hospitality (hotels)	356.805	381.891	-293.727	-335.200	63.078	46.691
Entertainment	327.72	287.468	-252.330	-233.318	75.390	54.150
Other	36.368	39.058	-38.813	-36.127	-2.445	2.931
Total	720.893	708.417	-584.870	-604.645	136.023	103.772

Both the hospitality and hotel sectors have contributed to the Group revenues in 2022, with a share of 49.50% of revenues, at SAR 356.81 million, yet, the sector's contribution to the Group revenues dropped, compared to 53.91% at SAR 381.89 million in 2021.

Contrarily, the contribution of the entertainment sector to the Group revenues in 2022 stepped up to 45.50% at SAR 327.72 million, compared to 40.58% at SAR 287.47 million in 2021.

Company's Activities Contribution to Total Revenues 2021, 2022



7-5 Prominent Changes in Financial Rates

Fiscal Year	2022	2021	2020	2019	2018
Some Financial Rates and Indices					
Current Ratio	57.04	60.76	31.48	34.97	57.95
Quick Ratio	25.80	48.53	15.85	17.80	26.41
Gross Debt Ratio	85.96	82.76	88.78	85.83	66.78
Total Assets to shareholders' equity (once)	712.33	580.08	891.31	705.93	301.04
Total Liabilities to shareholders' equity Ratio	612.33	480.08	791.31	605.93	201.04
Loan to Total Assets Ratio	24.30	25.68	31.87	20.04	35.64
Gross Profit Margin Ratio	18.87	14.65	7.50	24.51	19.77

Analysis of Some Financial Ratios:

1. The quick ratio measures a company ability to pay its short-term liabilities out of its current assets. The current ratio has largely varied over the last five years, as it started to step down in 2019. Later on, it was hurt by the consequences of the COVID-19 pandemic in 2020. Yet, the ratio has seen a strong spike to exceed 60% in 2021, but the ratio plummeted in 2022 to reach 57%.
2. The gross debts ratio measures a company reliability on financing its assets through the various liabilities. This has witnessed a notable increase in 2019 and 2020, yet shrinked in 2021 to 82.76%, and then slightly hiked in 2022, at 85.96%. Al Hokair Group aims to drop this ratio to under 50% in light of the spike pace of business activity, completion of its various projects and settlement of all debts.
3. Ever since 2021, the Company's gross profit margin tangibly improved. The Group efforts were crowned with success by reaching the highest level in 2022 at 18.87%, which points to the Company's ability to generate profits in the near future. This has coincided with the improvement in the net profit margin even if still negative, yet, it is much less compared to the last three years, which reflects the efficiency of the Company's control over the operational aspects and returns generated therefrom.
4. The Return on Assets (ROA) and Return on Equity (ROE) still record negative figures, but this shall least worry Al Hokair Group Company specially that these rates are decreasing year after year. This assures that the Group is going on the right path towards achieving profits in the near future in light of the amortization of total accumulated losses and capital reduction in 2022. This step marks crossing the bottle neck at such an exceptional stage. It also marks a positive path in the upcoming years.

7-6 Property and Equipment

The following Table shows a statement of the Company's property and equipment established on land plots and leased buildings, and the development in the value of the said property and equipment over

the last five years, taking into consideration the rate of annual asset consumption, whose term and percentage vary according to the type of asset and degree of consumption:

(All figures are in SAR MLN)

Statement	Year	2022	2021	2020	2019	2018
Buildings and Renovations		553.901	615.426	716.278	786.237	822.567
Entertainment Equipment		111.849	141.602	180.358	213.014	233.439
Furniture and Installations		33.304	49.323	66.744	77.838	85.234
Vehicles		0.484	0.261	0.185	1.112	2.926
Conditioners		19.855	26.779	29.391	34.720	36.994
Computers		3.176	5.863	13.901	17.267	21.622
Tools		30.052	40.671	52.919	61.202	69.772
Projects under Construction		27.191	7.687	-	-	-
Net Book Value (NBV) by the year end		779.812	887.612	1,059.776	1,191.390	1,272.554

7-7 Investments in Joint Ventures

The Company invests in joint ventures, which are companies, in which Al Hokair Group owns shares that has seen a number of changes over the last five years. The Group ratio of ownership has been relatively stable in six companies, yet, the values are different. The Group owned a 33.3% stake in Asateer Gulf Sports equals to SAR 0.353 million.

The Group value of ownership dropped in 3 companies, namely "Tourism and Real Estate Development Company", "Asateer

Company for Entertainment Projects Limited" and "Tarfeeh Company for Tourism and Projects Limited". On the other hand, Al Hokair Group value of ownership witnessed an increase in 3 companies; namely, Luxury Entertainment Company, Al Qassim Trading Company Limited and Asateer Gulf Sports Co. Ltd. While the value of ownership of Al Hokair Group in Al Khaleejiya Company for Entertainment Limited reached 0%, as shown in the following Table:

Joint Ventures	Ratio of Ownership in Five Years (%)					Value of Ownership in Five Years (in SAR MLN)				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Tourism and Real Estate Development Company	48.5	48.5	48.5	48.5	48.5	65.338	70.917	67.927	65.427	62.081
Asateer Company for Entertainment Projects Limited	50	50	50	50	50	18.272	20.794	18.725	20.122	18.449
Luxury Entertainment Company	31	31	31	31	-	16.691	7.560	14.043	17.318	-
Tarfeeh Company for Tourism and Projects Limited	50	50	50	50	50	0.283	1.912	1.591	3.726	3.627
Al Qassim Trading Company Limited	50	50	50	50	50	4.695	-	4.847	8.152	12.437
Asateer Gulf Sports .Co. Ltd	33.3	-	-	-	-	0.353	-	-	-	-
Al Khaleejiya Company for Entertainment Limited	50	50	50	50	50	-	0.050	0.050	0.050	0.050
						105.632	101.233	107.183	114.795	96.644

7-8 Contribution of Subsidiaries and Peer Companies in Results

Geographic Analysis of the Company Total Revenue

(All figures are in SAR MLN)

Year	Kingdom of Saudi Arabia	United Arab Emirates	Arab Republic of Egypt	Total Revenue
2021	685,093,000	20,681,000	2,643,000	708,417,000
2022	692,365,000	26,671,000	1,857,000	720,893,000

Geographic Analysis of the Subsidiaries Total Revenue

(All figures are in SAR MLN)

Country	Kingdom of Saudi Arabia		United Arab Emirates		Arab Republic of Egypt		Total Revenue	
Year	2021	2022	2021	2022	2021	2022	2021	2022
Sparky's Land Amusement Toys			20,681,000	26,671,000			20,681,000	26,671,000
Asateer Company for Entertainment and Tourism					2,643,000	1,857,000	2,643,000	1,857,000
Osool Al Mazaya Hospitality Company	1,892,000	1,339,000					1,892,000	1,339,000

7-9 Stakeholders and Related Parties Transactions

Shares number is decreased due to the Company capital reduction by 51.54%.

Description of any contractual documents and subscription rights of the Board Members and their relatives in the Company's shares or debt instruments

S	Name of Stakeholder or Holder of Contractual Document or Subscription Rights	Beginning of Year		End of Year		Net Change	Percentage of Change
		No. of Shares	Type of Ownership	No. of Shares	Type of Ownership		
1	Majid Abdul Mohsen Al Hokair	1,352,208	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	655,300	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	696,908	(%51.54)
2	Sami Bin Abdul Mohsen Al Hokair	1,352,208	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	655,300	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	696,908	(%51.54)
3	Bandar Bin Khalid Abdul Mohsen Al Hokair	321,518	Direct	155,812	Direct	165,706	(%51.54)

Description of any contractual documents and subscription rights of the Senior Executives and their relatives in the Company's shares or debt instruments

S	Name of stakeholder or Holder of Contractual Document or Subscription Rights	Beginning of Year		End of Year		Net Change	Percentage of Change
		No. of Shares	Type of Ownership	No. of Shares	Type of Ownership		
1	Sami Bin Abdul Mohsen Al Hokair	1,352,208	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	655,300	Indirect, through his ownership in Abdul Mohsen Al Hokair and sons Holding	696,908	(%51.54)

7-10 Loans

The following Table shows a statement of the loans due upon Al Hokair Group by the end of 2022:

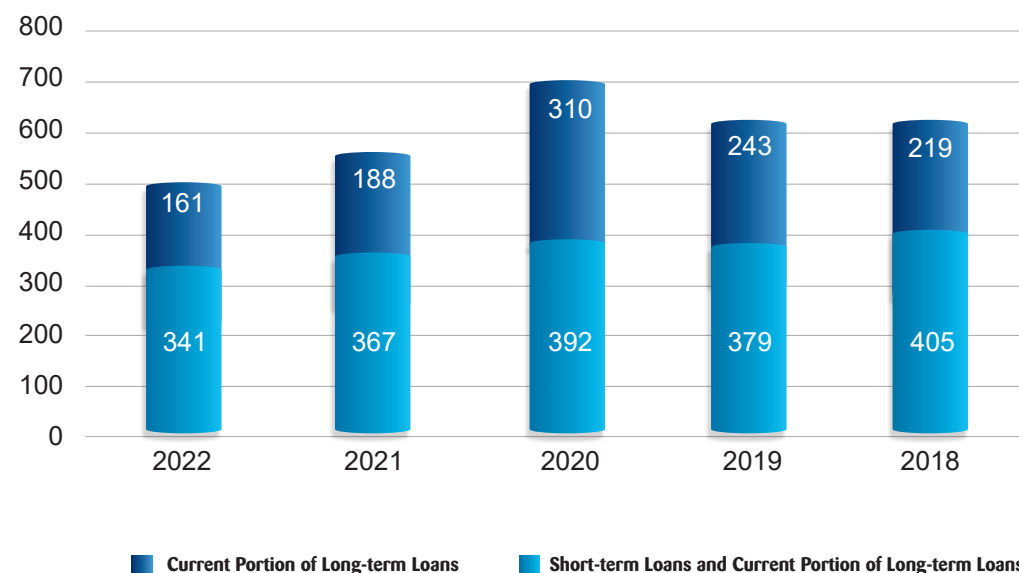
(All figures are in SAR MLN)

S	Name of Lender	Original Amount of Debt	Debt Term	Amounts paid over the year	Amounts drawn over the year	Loan Balance as at the end of the year
1	Bank AlJazira	63,509,474	4	24,516,209	23,373,553	62,366,818
2	Saudi Investment Bank (SAIB)	143,682,405	5	17,281,878	43,832,037	117,132,246
3	Gulf International Bank (GIB)	130,040,535	5	99,298,109	72,426,965	156,911,679
4	Alrajhi Bank	148,000,000	5	-	19,060,606	128,939,394
5	SABB Bank	49,014,647	3	23,905,972	55,923,510	16,997,109
6	Bank AlBilad	20,000,000	1	40,000,000	40,000,000	20,000,000

In general, Al Hokair Group aimed to largely reduce its dependence on loans over the past years. This has been evident by the end of the pandemic year which witnessed the highest level of loans in the last five years. The amount of loans started to decline

largely in the last year and by the end of 2022. The Company has also depended on its resources in generating required funding for the development and expansion of such activities, using external loans as little as possible.

Development of Al Hokair Group Loans Last 5 Years



7-11 Regulatory Payments

The following Table shows a statement of the value of regulatory payments paid and due on account of any Zakat, taxes, levies

or other dues upon the Company that were not paid till the end of 2022:

(All figures are in SAR MLN)

Statement	2022		Brief Description	Description of Cause
	Paid	Due and Unpaid to the End of Financial Period		
Zakat	1,195,000	-	Tax Payment to General Authority of Zakat and Tax (GAZT)	Payments to GAZT
Withholding Taxes (WHT)	6,176,250	131,669	Monthly Withholding Taxes (WHT)	Withholding Taxes (WHT) paid for External Transfers
Value Added Tax (VAT)	51,460,643	2,729,673	Sales Tax	Government Tax
General Organization for Social Insurance (GOSI)	13,064,163	1,153,115	Monthly Subscriptions from Employees' Salaries	Annual Fees
Visas and Passports Expenses	399,750	-	Annual Fees paid for General Directorate of Passports	Annual Fees
Labor Office Fees	5,024,820	-	Annual Fees paid to Labor Office	Annual Fees
Other	-	-	-	-



Bright Horizons Start from Here

Annual Report

2022