



Annual Report

Of the Board of Directors Al Khaleej Training and Education Company

**For the company's business in the
fiscal year ending on 31/12/2023G**

Crown prince

Prince Mohammed Bin Salman



The Kingdom of Saudi Arabia is one of the world's largest economies and we are earnestly striving to double its size and diversity.

Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz



One of our priorities is to continue our support to the Saudi private sector and empower it as a partner in the ambitious journey of economic growth.



Chairman's Statement

The valued shareholders of Al Khaleej Training and Education Company

May Allah's peace, mercy, and blessings be upon you

It gives me immense pleasure to present to you personally and on behalf of the members of the Board of Directors of Al Khaleej Training and Education members, the annual report of the Board of Directors of Al Khaleej Training and Education Company for the fiscal year ending on 31/12/2022G, which reports to the company's valuable shareholders the company's business and results during the year 2022G. The report highlights the company's most important achievements during that period in terms of training, education, and call centers. The report also sheds light on the company's performance, the audited annual financial statements and their accompanying notes, and the auditor's report for that period. The report also includes an adequate summary of the implementation of the Corporate Governance Regulations, information about the members of the board of directors and the committees emanating from the board, in addition to the goals and future plans for all segments of the company.

The company's management is striving hard to improve the company's performance to reach the desired goals through the company's plans and strategy, which aim at continuous growth and achieving good and satisfactory results for all of the company's shareholders. We also give our utmost attention to the development of systems and control procedures to improve performance and develop the work environment by keeping pace with modern administrative and technical methods, in addition to strengthening the culture of institutional work and benefiting from investment-related initiatives in various sectors, especially the training and education sector, as provided by Vision 2030.

The company has begun developing the necessary programs and frameworks to achieve the transition to sustainable growth and advance our ambitions related to environmental, social, and governance responsibility. We look forward to working with our employees in the various sectors of the company, our partners, local communities, and all stakeholders to ensure sustainable development of the training and education sector and call centers in the Kingdom of Saudi Arabia.

This report has been prepared in accordance with the requirements of the Corporate Governance Regulations, Registration, and Listing Rules issued by the Capital Market Authority, Saudi Companies Law, the company's articles of association, and the regulatory controls and procedures issued in the implementation of the Companies Law for Listed Joint Stock Companies.



I would like to take this opportunity to thank all competent authorities who licensed the company's activities represented by the General Organization for Technical and Vocational Training, Ministry of Education, Ministry of Commerce and Industry, Capital Market Authority, the Stock Exchange Company (Tadawul) and all relevant stakeholders for their cooperation and constant encouragement to us.

Thanks are due to all our valued customers and shareholders for their precious trust and continuous support for us and their constructive role in supporting the company's journey to make more effort and giving to reach the company's goals and achieve its vision.

In conclusion, I extend my sincere thanks and appreciation to the company's management and employees at all levels for their active role in overcoming challenges, their tireless work and sincere efforts to achieve more successes to consolidate the company's leadership, progress, and prosperity.

We invoke the Almighty to protect our dear country, safely and securely.

**Chairman of the Board of Directors
Abdulaziz bin Rashid Al-Rashed**

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1 Applied Non-applied provisions of the Governance Regulations issued by the CMA, and reasons for non-compliance.

Al Khaleej Training and Education Company applies all mandatory provisions contained in the Corporate Governance Regulations amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444 H corresponding to 18/01/2023 AD based on the Companies Law issued by Royal Decree No. M/132 dated 01 /12/1443 AH corresponding to 30/06/2022 AD, with the exception of some indicative provisions described below:

Article No.	Paragraph No.	Text of Article / Paragraph	Reasons for non-Compliance
Article 37	Paragraph 1:2	<p>Training:</p> <p>The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programmers required for the same, taking the following into account:</p> <ol style="list-style-type: none"> 1. Preparing programmers for the recently-appointed Board members and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following: <ul style="list-style-type: none"> a. the strategy and objectives of the Company; b. the financial and operational aspects of the Company's activities; c. the obligations of the Board members and their duties, responsibilities and rights. d. the duties and competencies of the committees of the Board. 2. Developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmers and courses in order to develop their skills and knowledge in the fields related to the activities of the Company. 	This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.
Article 39	Paragraph e & f	<p>The Assessment:</p> <p>e. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>f. Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p>	This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.
Article 67	0	<p>Composition of the Risk Management Committee:</p> <p>The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee". 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.</p>	This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.

<p>Article 68</p>	<p>Paragraph 1:12</p>	<p>Competencies of the Risk Management Committee: The competences 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 organizational 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; and 12. Reviewing any issues raised by the audit committee that may affect the Company's risk management. 	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
<p>Article 69</p>	<p>0</p>	<p>Meetings of the Risk Management Committee: The risk management committee shall convene periodically at least once every six months, and as may be necessary.</p>	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
<p>Article 82</p>	<p>Paragraph 1:3</p>	<p>Employee Incentives: The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following:</p> <ol style="list-style-type: none"> 1. Forming committees or holding specialized workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions. 2. Programs for granting employees shares in the company or a share of the profits it achieves and retirement programs, and establishing an independent fund to spend on these programs. 3. Establishing social organizations for the benefit of the Company's employees. 	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>

Company's Compliance with Governance Regulations

The Company has been careful to adhere fully to the rules of corporate governance. The board has set up a corporate governance system for the company, in line with the provisions of the Corporate Governance Regulations issued by the CMA, dated 16/5/1438H, corresponding to 13/2/2017G. The system includes the rules and standards governing the management of the company and ensures the protection of the rights of the shareholders and stakeholders. The company, therefore, has approved its own governance regulations and policies through the board and the general assembly of shareholders, in accordance with the Companies Law and the CMA's regulations and instructions. Upon the issuance of the CMA's decision No. 3-57-2019, dated 15/9/1440H, corresponding to 20/5/2019G, amending some articles of the Corporate Governance Regulations, the company has updated its corporate governance regulations to comply with the amended Corporate Governance Regulations.

Based on the above-mentioned, the board has established policies and procedures that ensure the company's compliance with the rules and regulations and commitment to the disclosure of material information to shareholders, creditors, and other stakeholders. In accordance with the Corporate Governance Regulations and the text of Article 91

of the Corporate Governance Regulations issued by the CMA, the company has complied with all the paragraphs and clauses of the binding articles of the Governance Regulations as follows:

Rights of Shareholders and General Assembly

The Company has been keen to allow all shareholders to exercise their regulatory rights to obtain dividends or a share of the company's assets, in the event of liquidation. They have been allowed to attend shareholders' assemblies, participate in their deliberations, vote on their decisions, dispose of shares, monitor the work of the board, file liability lawsuits against board directors, and inquire and request information that does not harm the company or contravene with the capital market system and its implementing regulations.

Shareholders' access to information

The Company makes all information fully accessible to all shareholders, without discrimination, in accordance with the policies of disclosure of major developments, financial data, and performance reports, in accordance with the legal requirements, applicable regulations, and instructions received from the competent authorities, to enable the shareholders to fully exercise their rights. Such information has always been complete, accurate, and regularly updated on the specified dates on the Saudi Stock Exchange's (Tadawul) website, the company's website.

Risk management

The Company regards risk management as part and parcel of the activities and decision-making process. The company realizes the importance of the effective role of risk management in achieving its current and future success. The company is seeking to strike an acceptable balance between risks and profits, while striving to achieve its vision. Risk management is a vital part of the company's internal control functions and its governance arrangements. One of the benefits of risk management is that it has a logical, systematic method to contextualize, identify, analyze, evaluate, address, monitor, and report risks in a manner that allows the company to make appropriate decisions and respond in a timely manner to risks as they arise.

Policies and procedures related to disclosure and transparency

Disclosure and transparency policies are part and parcel of the company's Corporate Governance Regulation. The board has established written policies and procedures regarding disclosure and transparency, which ensure fairness while providing the appropriate information on the appropriate time to investors to help them make investment decisions based on correct, complete information. Such policies also ensure that the information is not leaked to some investors while not reaching others. The company is committed to the policies and procedures established by the board, based on the relevant systems, the instructions received from the CMA, and the competent authorities, in order to enhance the level of disclosure and transparency.

Al Khaleej Training and Education Company posts the quarterly and annual financial results on the Saudi Stock Exchange's (Tadawul) website during the statutory periods of publication and on the company's website. The company also publishes all the information related to the statutory disclosures or major developments in a timely manner. The company is always working to enhance the level of disclosure through the nature, type, and timing of information disclosed, while continuing to enrich the company's website with all the information that might help all stakeholders acquaint with the company's activities and the developments of its works, to make successful investment decisions.



The following is a statement of the company's disclosures on the Saudi Stock Exchange's (Tadawul) website and the company's website in 2023.

04/01/2023G	>	Al Khaleej Training and Education Company announces the resignation of a member of the Audit Committee.
05/01/2023G	>	Al Khaleej Training and Education Company announces of the resignation of a member of the Audit Committee.
30/03/2023G	>	Al Khaleej Training and Education Company announces the latest developments regarding a Memorandum of Understanding (non-binding) signed with Al-Awael Gulf Holding Company (Saudi Limited Liability Company) and Al-Awael National Schools Company Ltd. (Saudi Limited Liability Company).
31/03/2023G	>	Al-Khaleej Training and Education Company announces to its valued shareholders that it has not been able to publish the financial statements for the year 2022 on the website of the Saudi Stock Exchange (Tadawul) on the specified date.
12/04/2023G	>	Al-Khaleej Training and Education Company announces the latest developments regarding a (non-binding) Memorandum of Understanding signed with the owners of Al-Minhaj National Schools Company Ltd.
12/04/2023G	>	Al-Khaleej Training and Education Company announces the signing of a sale and purchase agreement with the owners of Al-Riyada Model Education Company.
25/04/2023G	>	Al-Khaleej Training and Education Company announces its Annual Financial Results for the Period Ending on 31/12/2022.
27/04/2023G	>	Al Khaleej Training and Education Company announces that it will not distribute cash dividends to shareholders for the fiscal year 2022.
15/05/2023G	>	Al-Khaleej Training and Education Company announces Corrective announcement regarding the annual financial results for the year ended 31/12/2022.
18/05/2023G	>	Al-Khaleej Training and Education Company announces an Addendum announcement regarding the annual financial results for the fiscal year ending on 31/12/2022.
23/05/2023G	>	Al Khaleej Training and Education Company invites its shareholders to participate and vote in the Extraordinary General Assembly Meeting through modern technology means (first meeting).
23/05/2023G	>	Al-Khaleej Training and Education Company announces that it is unable to publish its financial results for the first quarter of 2023 on Tadawul on time.
25/05/2023G	>	Al-Khaleej Training and Education Company announces Addendum announcement regarding the announcement of the invitation to hold the extraordinary general assembly.
25/05/2023G	>	Al-Khaleej Training and Education Company announces Addendum regarding the announcement that it is unable to publish its financial results for the first quarter of 2023 on Tadawul on time.
13/06/2023G	>	Al Khaleej Training and Education Company announces to its shareholders the start date of electronic voting on the items of the Extraordinary General Assembly Meeting (First Meeting) through modern technology.
14/06/2023G	>	Al Khaleej Training and Education Company announces the latest developments regarding the sale and purchase agreement signed with the owners of Al-Faisaliah National Schools Company in Jeddah to acquire 60% of the ownership shares of the schools.
19/06/2023G	>	Al-Khaleej Training and Education Company announces its Interim Financial Results for the Period Ending on 31/03/2023 (Three Months).

- 20/06/2023G** > Al Khaleej Training and Education Company announces the results of the Extraordinary General Assembly Meeting (Second Meeting).
- 21/06/2023G** > Al-Khaleej Training and Education Company announces the appointment of two members of the Audit Committee.
- 14/08/2023G** > Al Khaleej Training and Education Company announces that it is unable to publish the financial results for the second quarter of 2023 on time.
- 23/08/2023G** > Al Khaleej Training and Education Company announces the resignation of a member of the Audit Committee.
- 24/08/2023G** > Gulf Training and Education Company announces the preliminary financial results for the period ending on 30/06/2023 (six months).
- 28/08/2023G** > Al Khaleej Training and Education Company announces the latest developments regarding the sale and purchase agreement signed with the owners of Al Reyadah Model Education Company.
- 03/09/2023G** > Al Khaleej Training and Education Company announces the signing of a contract with Allianz Saudi Fransi Cooperative Insurance Company (related party).
- 04/09/2023G** > Supplemental announcement from Al Khaleej Training and Education Company regarding the announcement of signing a contract with Allianz Saudi Fransi Cooperative Insurance Company (related party).
- 05/09/2023G** > Corrective announcement from Al Khaleej Training and Education Company regarding the announcement of the preliminary financial results for the period ending on 6/30/2023 AD (six months).
- 05/09/2023G** > Al Khaleej Training and Education Company announces the latest developments regarding the sale and purchase agreement signed with the owners of Al Reyadah Model Education Company.
- 07/09/2023G** > Al-Khaleej Training and Education Company announces the signing of a (non-binding) memorandum of understanding with Adwaa Al-Hidaya Private Schools Company for Boys and Girls (a Saudi closed joint stock company).
- 07/09/2023G** > Corrective announcement from Al-Khaleej Training and Education Company regarding the announcement of the signing of a (non-binding) memorandum of understanding with Adwaa Al-Hidaya Private Schools Company for Boys and Girls (a Saudi closed joint stock company).
- 01/10/2023G** > Al Khaleej Training and Education Company announces the signing of a contract with the Saudi Electricity Company.
- 15/10/2023G** > Al Khaleej Training and Education Company announces the opening of nominations for membership in the Board of Directors for the next session.
- 09/11/2023G** > Gulf Training and Education Company announces the preliminary financial results for the period ending on 09/30/2023 (nine months).
- 09/11/2023G** > Al Khaleej Training and Education Company announces the opening and start of operation of the Rowad Al Khaleej International Complex in the city of Al Khobar.
- 04/12/2023G** > Gulf Training and Education Company invites its shareholders to attend the Ordinary General Assembly meeting (first meeting) via modern technology.
- 20/12/2023G** > Al Khaleej Training and Education Company announces the resignation and appointment of the CEO.

2 Names of members of board directors, committees, and executive management and their current and previous positions, qualifications, and experience

1. Board Members

 <p>Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed</p> <p>Chairman Al-khaleej Training & Education, Board Chairman Al-Rashed & Sons Group</p>	<p>Previous position</p> <p>Member of the Board of Directors Banque Saudi Fransi</p> <p>Qualifications</p> <p>Bachelor of Business Administration Warner Pacific University-USA</p> <p>Experience</p> <p>49 years of experience in investment management</p>
 <p>Mr. Ahmed bin Ali Ahmed Al-Shadwi</p> <p>Deputy Chairman Al-Khaleej Training & Education & President and CEO Al-Falak Electronic Equipment and Supplies Company</p>	<p>Previous position</p> <p>Head of the Chamber of Commerce and Industry in Al-Baha</p> <p>Qualifications</p> <p>Bachelor of Science in Information Systems Michigan University-USA</p> <p>Experience</p> <p>49 years of experience in the field of information and communication systems and the establishment and management of companies</p>
 <p>Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni</p> <p>Retired</p>	<p>Previous position</p> <p>General Manager Arab Bureau of Education for the Al-Khaleej States</p> <p>Qualifications</p> <p>Ph.D. in Educational Psychology from the University of Wisc</p> <p>Experience</p> <p>49 years of experience in the field of education, educational development, and educational research</p>



**Dr. Abdullah bin Saghir
Muhammad Al-Husseini**

Dean of Student Affairs and Professor of
Accounting and Auditing at Prince Sultan Al-
Ahliyya University in Riyadh

Previous position

Professor of Accounting and Auditing at Prince Sultan Private
University, Riyadh

Qualifications

PhD in Financial Accounting and Auditing from the University of Kent,
UK

Experience

31 years of experience in the field of financial accounting, auditing,
financial and tax consultancy



**Mr. Abdul Malik bin Abdul
Rahman Abdullah Al Sheikh**

Retired

Previous position

Senior advisor at the Saudi Monetary Agency

Qualifications

Bachelor of Computer Engineering from King Saud University

Experience

31 years of experience in software and network development, project
management, and systems development for the Saudi Payment
Systems Network



**Mr. Abdullah bin Muhammad
Suleiman Jibreen**

Managing director
Abana Group for Projects Company

Previous position

CEO Abana Group for Projects Company

Qualifications

MBA in business administration from the University of WhiteWorth,
USA

Experience

37 years of experience in business administration



**Eng. Al-Walid bin Abdul
Razzaq Al-Duraian**

Managing Director of the Board Al Khaleej
Training and Education

Previous position

Manager at Gulf Computer and Electronic Equipment Company

Qualifications

Masters of Electrical Engineering Wisconsin University-USA

Experience

38 years of experience in the field of business administration,
training, education, and IT

2. Members of committees

Nominations & Remuneration Committee

Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Mr. Abdullah bin Muhammad Suleiman Jibreen
Retired	Board Chairman of Gulf Training and Education Company - Board Chairman Al-Rashed & Sons Group	Managing director Abana Group for Projects Company
Previous position	Previous position	Previous position
Senior advisor at the Saudi Monetary Agency	Member of the Board of Directors Banque Saudi Fransi	CEO Abana Group for Projects Company
Qualifications	Qualifications	Qualifications
Bachelor of Computer Engineering from King Saud University	Bachelor of Business Administration Warner Pacific University-USA	MBA in business administration from the University of WhiteWorth, USA
Experience	Experience	Experience
31 years of experience in software and network development, project management, and systems development for the Saudi Payment Systems Network	49 years of experience in investment management	37 years of experience in business administration

Governance & Social Responsibility Committee

Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Dr. Abdullah bin Saghir Muhammad Al-Husseini
Retired	Board Chairman of Gulf Training and Education Company - Board Chairman Al-Rashed & Sons Group	Dean of Student Affairs and Professor of Accounting and Auditing at Prince Sultan Al-Ahliyya University in Riyadh
Previous position	Previous position	Previous position
General Manager Arab Bureau of Education for the Al-Khaleej States	Member of the Board of Directors Banque Saudi Fransi	Professor of Accounting and Auditing at Prince Sultan Private University, Riyadh
Qualifications	Qualifications	Qualifications
PhD in Educational Psychology from the University of Wisconsin, USA	Bachelor of Business Administration Warner Pacific University-USA	PhD in Financial Accounting and Auditing from the University of Kent, UK
Experience	Experience	Experience
49 years of experience in the field of education, educational development, and educational research	49 years of experience in investment management	31 years of experience in the field of financial accounting, auditing, financial and tax consultancy

Audit Committee

Dr. Abdullah bin Saghir Muhammad Al-Husseini	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	Mr. Omar bin Abdulaziz Hammad Al-Blaihed	Mr./ Lotfi Qassem Ahmed Shehadeh
Dean of Student Affairs and Professor of Accounting and Auditing at Prince Sultan Al-Ahliyya University in Riyadh	President and CEO Al-Falak Electronic Equipment and Supplies Company	CEO of Jura Holding Company	Audit Manager. Audit and financial consulting
Previous position	Previous position	Previous position	Previous position
Professor of Accounting and Auditing at Prince Sultan Private University, Riyadh	President of the Chamber of Commerce and Industry in Al-Baha	Corporate Finance Assistant at the Saudi Hollandi (Alawal Bank) Bank	Audit manager Auditing and financial consulting
Qualifications	Qualifications	Qualifications	Qualifications
PhD in Financial Accounting and Auditing from the University of Kent, UK	Bachelor of Science in Information Systems Michigan University-USA	Bachelor's degree in Finance from King Fahd University of Petroleum Minerals	Bachelor of accounting and business administration
Experience	Experience	Experience	Experience
31 years of experience in the field of financial accounting, auditing, financial and tax consultancy	49 years of experience in the field of information and communication systems and the establishment and management of companies	16 years of experience in business administration, finance and finance	49 years of experience in the field of financial accounting and auditing

3- Executive management

Eng./ Al-Walid bin Abdul-Razzaq Al-Duraian	Dr./ Hatem bin Abdul-Razzaq Al-Duraian	Dr./ khalid bin Saeed Jaari Al-Ghamdi	Mr./ Ismail Ahmed Al-Hussein	Mr./ Sherif Esmat Abdel-Samee Hussein
CEO	Deputy CEO	Senior Vice President Education sector	Senior Vice President Training Sector	CFO
Previous position	Previous position	Previous position	Previous position	Previous position
Manager Al-Khaleej Computer and Electronic Systems	Senior Vice President Training sector	General Manager National and foreign education Ministry of Education	Vice President Training Sector	Chief Financial Officer Alkhabeer financial company
Qualifications	Qualifications	Qualifications	Qualifications	Qualifications
Master of Electrical Engineering Wisconsin University - USA	PhD in Business Administration	PhD in educational administration	Bachelor of computing	Bachelor of Commerce Accounting major
Experience	Experience	Experience	Experience	Experience
38 years of experience in the field of business administration, training, education and IT.	35 years of experience in the field of training and technology.	34 years of experience in the field of national, foreign and university education.	25 years of experience in the field training.	31 years of experience in the field financial accounting and auditing.

3

Names of companies inside and outside the KSA, in which a director or a manager of the company are members of their board, currently or previously.

S/N	Name of member	Names of companies in which a director is a current board member or a manager	Inside/ outside KSA	Legal entity	Names of companies in which a director is a current board member or a manager	Inside/ outside KSA	Legal entity
1	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed	Al-Khaleej Computers and Electronic Systems	Inside	Listed
		Al-Falak Electronic Equipment and Supplies Company	Inside	Not listed	Alshifa Medical Syringe Manufacturing Company	Inside	Not listed
					Banque Saudi Fransi	Inside	L.L.C
2	Mr. Ahmed bin Ali Ahmed AlShadwi	Al-Falak Electronic Equipment and Supplies Company	Inside	Not listed	Al-Khaleej Computers and Electronic Systems	Inside	Not listed
		AlFalak Manpower Services Co.	Inside	Not listed			
		AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed	Gulf Union Cooperative Insurance Co.	Inside	L.L.C
		Saudi Consolidated Contracting Company (SCCC)	Inside	Not listed			
		Dhahran Emaar Company	Inside	Not listed	Gulf Union Cooperative Insurance Co.	Inside	Listed
	Al-Baha Development Co.	Inside	Not listed				
3	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	N/A	—	—	N/A	—	—
4	Dr. Abdullah bin Saghir Muhammad AlHusseini	Al-Babtain Power and Telecom Company	Inside	Listed	N/A	—	—
		Allianz Saudi Fransi Insurance Company	Inside	Listed			
		Saudi NetWorks Services Company	Inside	Not listed			
		Deutsche Al-Khaleej Finance Company	Inside	Not listed			
5	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	N/A	—	—	N/A	—	—

S/N	Name of member	Names of companies in which a director is a current board member or a manager	Inside/ outside KSA	Legal entity	Names of companies in which a director is a current board member or a manager	Inside/ outside KSA	Legal entity
6	Mr. Abdullah bin Muhammad Suleiman Jibreem	Abana Group Company for Projects	Inside	Not listed	N/A	—	—
		Wassum Investment Company	Inside	L.L.C			
		Al-Ard Company for Investment and Real Estate Development	Inside	Not listed			
7	Eng. Al-Walid bin Abdul Razzaq Al-Duraian	Arabian Cement Company	Inside	Listed	N/A	—	—
		Allianz Saudi Fransi Insurance Company	Inside	Listed			
		Malaz Capital Company	Inside	Not listed			
		Al-Enaya Medical EST for Trade	Inside	Not listed			
		Saudi Telecom Services Company	Inside	L.L.C			

4

Board's composition and classification of directors:



Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed

Board Chairman
Non-executive



Mr. Ahmed bin Ali Ahmed AlShadwi

Deputy Board Chairman
Non-executive



Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni

Director
Independent



Dr. Abdullah bin Saghir Muhammad AlHusseini

Director
Independent



Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh

Director
Non-executive



Mr. Abdullah bin Muhammad Suleiman Jibreem

Director
Independent



Eng. Al-Walid bin Abdul Razzaq Al-Duraian

Boar Managing Director
Executive

5 Procedures & Actions taken by the Board to inform its members (especially the non-executives) of the shareholders' proposals and comments regarding the company and its performance

The board of directors has not received any remarks from the shareholders regarding the company and its performance. The board always makes sure that the majority of the directors, especially non-executives, attend the general assembly meetings to listen to the shareholders' questions, inquiries, and recommendations regarding the company and its performance, respond to them, and document them in the minutes of the assemblies.












6

Brief description of the Main Board Committees' Functions & responsibilities

First: Nomination and Remuneration Committee

Brief description of the competencies and tasks of the committee:

1. Proposing clear policies and criteria for membership in the Board of Directors and the Executive Management.
2. Recommending the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
3. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and occupying executive management positions.
4. Annually reviewing the necessary needs for skills or appropriate expertise for membership of the Board of Directors and executive management functions.
5. Review the structure of the Board of Directors and the Executive Management and make recommendations regarding changes that can be made.
6. Establish special procedures in the event of a vacancy in the position of a Board of Directors or senior executives member.
7. Determining the weaknesses and strengths of the Board of Directors, and proposing solutions to address them in line with the company's interest.
8. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the executive management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly.
9. Clarifying the relationship between the rewards granted and the applicable rewards policy, and indicating any material deviation from this policy.
10. Periodically reviewing the rewards policy, and evaluating its effectiveness in achieving its intended goals.
11. Recommending to the Board of Directors the remuneration of the members of the Board of Directors.

S/N	Names of Nomination and Remuneration Committee members	Type of Membership	Number of meetings, their dates, and attendance record		
			By presence		Passing decisions
			First	Second	First
			28/03/2023	04/10/2023	07/06/2023
1	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Committee Chairman			
2	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Member			
3	Mr. Abdullah bin Muhammad Suleiman Jibreen	Member			



Attended in person



Attended by delegating another board director



Attended by phone/means of modern technology



Did not attend









Passed decisions

Second: Governance and Social Responsibility Committee

Brief description of the competencies and tasks of the committee:

1. Ensuring the company's implementation and compliance with the corporate governance instructions issued by the Capital Markets Authority, and verifying the company's compliance with the rules, regulations, and laws issued by the Ministry of Commerce and the Capital Market Authority.
2. Monitor the effective implementation of the Information Disclosure Framework. In addition to the process of monitoring the procedures followed in cases of conflict of interest and transactions with related parties.
3. Coordination with the company's corporate governance officer to make an annual evaluation of the Board of Directors and its committees, and to ensure annually the independence of the independent members and the absence of any conflict of interest
4. Developing the foundations and criteria of social contribution developing programs that contribute to deepening the sense of the company's social responsibility, and proposing and adopting programs that serve the community and the company employees.
5. Activating the company's role in adopting social responsibility policies, initiatives, and programs towards its shareholders, customers, suppliers, the environment, and society as a whole to support and enhance the company's reputation.
6. Supervising the supported programs, and evaluating the effectiveness and seriousness of those programs and the working team involved.
7. Recommend to continue or stop the support after the end of the program.
8. Submitting recommendations to the company board of directors regarding the company's annual social contribution budget.
9. Disclosing plans to achieve social responsibility in periodic reports related to the company activities.
10. Study the issues referred to the committee by the board of directors and take appropriate decisions in respect of them if the board delegates them to do so.

S/N	Names of Governance and Social Responsibility Committee members	Type of Membership	Number of meetings, their dates, and attendance record		
			By presence		Passing decisions
			First	Second	0
			28/03/2023	04/10/2023	0
1	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	Committee Chairman			0
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Member			0
3	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Member			0



Attended in person



Attended by delegating another board director



Attended by phone/means of modern technology



Did not attend



Passed decisions

Third: Audit Committee

Brief description of the competencies and tasks of the committee:

1. Supervising the Internal Audit Department of the company.
2. Reviewing the internal control system and submitting a written report reflecting the committee's opinion and recommendations.
3. Reviewing the internal audit reports.
4. Following up on the works of the chartered accountants.
5. Reviewing the audit plan with the chartered accountant.
6. Reviewing the adopted accounting policies and submitting the committee's opinion and recommendations regarding them.
7. Review the interim and annual financial statements before submitting them to the board of directors and submitting the committee's opinion and recommendation.
8. Reviewing the remarks of the chartered accountant regarding the financial statements and following up on what has been done about them.

S/N	Names of Audit Committee members	Type of Membership	Number of meetings, their dates, and attendance record																	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
			17/01/2023	30/01/2023	21/02/2023	16/03/2023	19/03/2023	26/03/2023	27/03/2023	30/03/2023	12/04/2023	14/05/2023	21/05/2023	31/05/2023	13/06/2023	14/06/2023	18/06/2023	23/08/2023	08/11/2023	06/12/2023
1	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Committee Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	Mr. / Ahmed bin Ali Ahmed AlShadwi	Member	✗	✗	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	✗	✗	✗	
3	Mr./ Lotfi Qassem Ahmed Shehadeh	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
4	Mr. Nabeil bin Ali Hassan Shaieb.	Member															✓	✓	✓	
5	Mr. Khaled Bin Muhamad AL-Aaeed.	Member															✓	✓	✓	



Attended in person



Attended by delegating another board director



Attended by phone/means of modern technology



Did not attend



Passed decisions

7

Methods used by the board of directors to evaluate its performance, the performance of its committees, directors, and the third party that carried out the evaluation.

Completely not applicable. The process of evaluating the performance of the Board of Directors, its committees, and its directors is carried out according to the evaluation form proposed by the Nomination and Remuneration Committee and approved by the Board of Directors of the company. The form came into effect starting from 2018. The directors of the board take part in the evaluation process by expressing their opinions on the performance of the board and its committees. The results are then analyzed by the Governance Department, under the supervision of the Nomination and Remuneration Committee. Finally, the evaluation results are submitted to the board of directors for perusal. No third party has been hired for the evaluation process up to this moment.

8

Disclosure of the remunerations of board directors and senior executives for the year 2023G

1. The remunerations of the board directors and executive management of the company are defined based on the policies of remuneration for the board, its committees, and executive management approved by the general assembly of shareholders. The policies have been set up in accordance with the provisions of the Companies Regulations, CMA Regulations, and the company's articles of association. The remuneration policies take into account being fair and proportionate to the competencies, works, and responsibilities of the directors. The remuneration policies also consider the company's activity, size, and the required skills to manage it and the experience of the directors. The remunerations are also consistent with the company's strategy and objectives and are reasonably sufficient to attract, motivate, and retain board directors with appropriate competence and experience. The remunerations are also offered with the purpose of encouraging the board of directors and the executive management to make the company successful and develop it in the long run, taking into consideration the practices of other companies and the prevalent practices in the labor market in defining the remunerations.
2. Disclosure regarding the remunerations of the board directors and executive management is made accurately, transparently, and in detail, directly or indirectly, without cover-up or deception. This includes sums, benefits, or advantages, whatever their nature or name is. According to the text of Article 21 of the articles of association of the company, the board report to the ordinary general assembly should include a comprehensive statement of all remunerations, expenses, allowances, and other benefits the board directors obtain during the fiscal year and any other benefits, regardless of their nature.
3. The remunerations of the board directors and executive management are defined according to the applicable remuneration policies of the company, to ensure that there is no material deviation from the terms and conditions of annual entitlements stipulated in those policies while defining such remunerations. The Board defines the remunerations of the directors based on the recommendation of the Nomination and Remuneration Committee, which takes into account while defining the remuneration, all regulations and circulars issued by the competent authorities in this regard, in a manner that does not contravene with the applicable remuneration policies of the company. Such a recommendation is subject to the approval of the general assembly of shareholders.
4. All details of remunerations and compensations paid to each of the members of the board of directors, five senior executives, and members of the committees during the fiscal 2023/12/31 year ending, are indicated in the following tables.

**The following tables detail all
the remunerations disbursed to:**

Directors of the board - Senior executives - Members of the committees



First: Board directors' remunerations

Members Names	Fixed Remuneration							Variable Remuneration					End of Service	Grand Total	Expense Allowance	
	Annual Remuneration(Specific Amount)	Board session attendance allowance	Total allowance for attending committee sessions	In-Kind Benefits	Remuneration for Technical, Managerial, and Consulting work	Remuneration of the chairman, managing director or secretary if he	Total	Percentage of profits	Periodic remuneration	Short incentive plan	Long incentive plan	granted shares (Enter amount)	Total			
Name	SAR'000	SAR'000					SAR'000							SAR'000	SAR'000	
Independent Directors																
Dr. Ali Abdul Khaliq Abdul Rahman Al-Qarni	200	15	-	-	-	-	215	-	-	-	-	-	-	-	215	
Dr. Abdullah Saghir Muhammad AlHusseini	200	15	-	-	-	-	215	-	-	-	-	-	-	-	215	
Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	200	15	-	-	-	-	215	-	-	-	-	-	-	-	215	
Mr. Abdullah bin Muhammad Suleiman Jibreen	200	15	-	-	-	-	215	-	-	-	-	-	-	-	215	
Total	800	60					860							860		

Non-Executive Directors	Name	SAR'000	SAR'000					SAR'000						SAR'000	SAR'000	
	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	300	15	-	-	-	-	315	-	-	-	-	-	-	315	
	Mr. Ahmed bin Ali Ahmed AlShadwi	200	6	-	-	-	-	206	-	-	-	-	-	-	206	
	Total	500	21					521						521		

1 Executive Directors	Name	SAR'000	SAR'000					SAR'000						SAR'000	SAR'000	
	Eng. Al-Walid bin Abdul Razzaq Al-Duraian	200	15	-	-	-	-	215	-	-	-	-	-	-	215	
	Total	200	15					215						215		

Second: Senior executives' remunerations

Senior Executives	Fixed Remuneration				Variable Remuneration						End of Service	Total executive remuneration for the board, if any	Grand Total
	Salaries	Allowances	In-Kind Benefits	Total	Periodic Remunerations	Profits	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares (enter amount)	Total			
Name	SAR'000	SAR'000		SAR'000		SAR'000							SAR'000
Senior Executives	5400	1462	-	6862	-	1927	-	-	-	-	-	-	8789
Total	5400	1462	-	6862	-	1927	-	-	-	-	-	-	8789

Third: Committee members' remunerations

Committee	Name of members	Fixed remunerations (Excluding allowance for attending board meetings)	Attending board meeting allowance	Total
Members of Audit Committee	Name	Thousand Riyals	Thousand Riyals	Thousand Riyals
	Dr. Abdullah bin Saghir Muhammad Al-Husseini	60	27	87
	Mr. Ahmed bin Ali Ahmed Al-Shadwi	60	19.5	79.5
	Mr. Lotfi Qassem Ahmed Shehadeh	70	45	115
	Mr. Nabil bin Ali Hassan Shuaib	37.5	9	46.5
	Mr. Khalid Mohammed Al-Eid	37.5	9	46.5
	Total	265	109.5	374.5

Committee	Name	Thousand Riyals	Thousand Riyals	Thousand Riyals
Nomination and Remuneration Committee members	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	30	3	33
	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	30	3	33
	Mr. Abdullah bin Muhammad Suleiman Jibreen	30	3	33
	Total	90	9	99

Committee	Name	Thousand Riyals	Thousand Riyals	Thousand Riyals
Governance and Social Responsibility Committee	Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni	30	3	33
	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	30	3	33
	Dr. Abdullah bin Saghir Muhammad Al-Husseini	30	3	33
	Total	90	9	99

9

Penalties and fines imposed on the company

There is no penalty, sanction, precautionary measure or precautionary restriction imposed on the company by the Authority or by any other supervisory, regulatory or judicial authority.



10

Results of the annual review of the effectiveness of the internal control procedures of the company and opinion of the Audit Committee on the efficiency of the internal control system

Due to the importance of internal control procedures of the company, the board validates their effectiveness and efficiency on annual basis through reviewing them by the Audit Committee. The review includes an assessment of the efficiency and effectiveness of all policies, practices, and procedures of all the company's departments and the effectiveness of governance, risk management, and internal control, which enables the company to achieve its objectives and protect its assets.

The Audit Committee also looks into the effectiveness of the internal control procedures by reviewing the work of the external auditor of the company and internal auditing works of the company, concluding relevant recommendations to enhance them, and submitting such recommendations periodically to the board to ensure the efficiency and effectiveness of the internal control system in general.

The board stresses after conducting the annual review of the effectiveness of the internal control system of the company that there are no material results that have a major impact regarding the soundness of the financial and accounting systems and internal control related to the preparation of financial statements that need to be disclosed.

The Audit Committee also believes that the internal control procedures applied in the company during the fiscal year 2022G has been highly effective and efficient. The committee further believes that in light of its work, it has no material remarks and has not found any deficiency in the procedures of internal control that needs to be highlighted or disclosed.

11

The committee's recommendation regarding the appointment of an internal auditor in the company.

There is no recommendation from the Audit Committee to this effect since there is an internal auditor in the company already.

12

Recommendations of the Audit Committee contravening with the resolutions of the Board, or which the board has refused to consider regarding the appointment and dismissal of an internal auditor in the company, defining the fees, and assessment of performance thereof, or the appointment of an internal auditor, the reasons for such recommendations, and the reasons for not considering them.

There is no contradiction or rejection between the recommendations of the Audit Committee and the decisions of the Board of Directors.

13

Details of the company's social contributions.

The company believes in the importance of social contributions and providing help in the process of social development. The company adopts a social mission that aims at enriching its contributions to community services because it realizes that the community has rights over its members, whether individuals or companies. An annual budget has been allocated for social responsibility and a strategic plan has been devised to define the social responsibility programs that help in developing the community and are consistent with the vision and goals of the company and its activities. Social responsibility programs that the company has been interested in supporting during the upcoming phase include special education programs for schools, such as autism and learning difficulties, training programs for people with minor disabilities, and training programs for those who have social security. The company continues its efforts in adopting and implementing many community service programs that are consistent with its mission and values and reflects its absolute commitment to improving the social and living conditions of needy groups and providing for their needs.

Stemming from the company's belief in the importance of community contributions and its adoption of many community service programs that are consistent with the company mission, values, and 2030 Vision, the company has participated during 2023G in many community contributions, including, not limited to:

1. Provide several free training programs for the company's employees to develop them, raise their efficiency and skills, and provide a safe and stable work environment for them to provide for job stability and achieve justice, and equal opportunities, and to facilitate the provision of the company's products and services to employees and their children.
2. The community contributes through the company's training sector by conducting free training courses in many fields for the children of charitable associations and institutions across the Kingdom.
3. Diverse and effective community contributions of the school sector for male and female students in all Rowad Al-Khaleej schools in the Kingdom in all community forums and partnerships with charitable and private societies.

A statement of the dates of the shareholder's general assemblies held during the last fiscal year and names of directors attending them.



During the fiscal year 2022, the Board of Directors held one (1) extraordinary general assembly of shareholders, as follows

S/N	Names of Board Directors	Type of Assembly	Type of Assembly	Extraordinary General Assembly
		Date of assembly	Date of assembly	19/06/2023
Attendance Record				
1	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed		✓	
2	Mr. / Ahmed bin Ali Ahmed Al-Shadwi		✓	
3	Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni		✓	
4	Dr. Abdullah bin Saghir Muhammad Al-Husseini		✓	
5	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh		✓	
6	Mr. Abdullah bin Muhammad Suleiman Jibreen		✓	
7	Eng. Al-Walid bin Abdul Razzaq Al-Duraian		✓	



Attended in person



Attended by delegating another board director



Attended by phone/means of modern technology



Did not attend



Passed decisions

15

A description of the company's main types of activities and subsidiaries

The company exercises its main activities through several segments, i.e., the training segment, education segment, and the call center segment

01

Training Segment

02

Education Segment

03

Call Centers Segment

The first activity: Training Segment

The company exercises its main activities through several segments, i.e., the training segment, education segment, and the call center segment.

First: University Projects Management:

As for university projects, we implement 6 contracts in 5 universities for the preparatory year, which has about a thousand employees, and the work in these projects is focused on providing academic staff for the preparatory years according to scientific standards and foundations set by universities, and the company provides educational solutions and services and human resources management for universities.

In order to harvest the results of the customer's satisfaction and confidence in the quality of the work provided, the continuity of university projects was maintained and their profitability increased from previous years, as a result of reducing initial operating expenses and changing the operating policy and pricing mechanism, which was reflected in the increase in the profitability of projects, as the university projects sector achieved a profitability that reached during the year 2023 to 9% of income.

Second: Business Management:

This sector includes training contracts for companies and government and semi-government agencies, which depend on quotations and direct approvals in addition to competitions and tenders that are offered,

As a result of the expansion of information technology training in the Kingdom of Saudi Arabia in 2023, security, safety, maritime safety and quality of life projects (health education and development of school students)) and the increase in the budget allocated by the government for training in these areas, which positively affected the business sector, the sector recorded a noticeable improvement during the year 2023, as the profitability ratio reached 14% of income.

Third: Managing training centers for individuals:

The management of individual training centers includes 18 branches spread in most regions of the Kingdom that provide training in several fields (diplomas, long-term programs, and short-term programs).

A reflection of the plan set by the company (training sector) in order for all training centers in various cities of the Kingdom to return to what they were before the pandemic, through a reorganization of the team and tasks in a way that suits the post-Corona era, so that the goal of the organization becomes to work on income more than the previous organization, which aimed to ration and control expenses, in addition to focusing on increasing investment opportunities through the adoption of new programs and diplomas in line with the Kingdom's Vision 2030, such as a diploma in cybersecurity, The year 2023 was a distinguished success, as the profitability ratio in the retail sector during the year 2023 reached 9% of income.

The year 2023 achieved tangible success in the training sector, where the profitability of the sector reached 10% of income.

The second activity: Education Segment

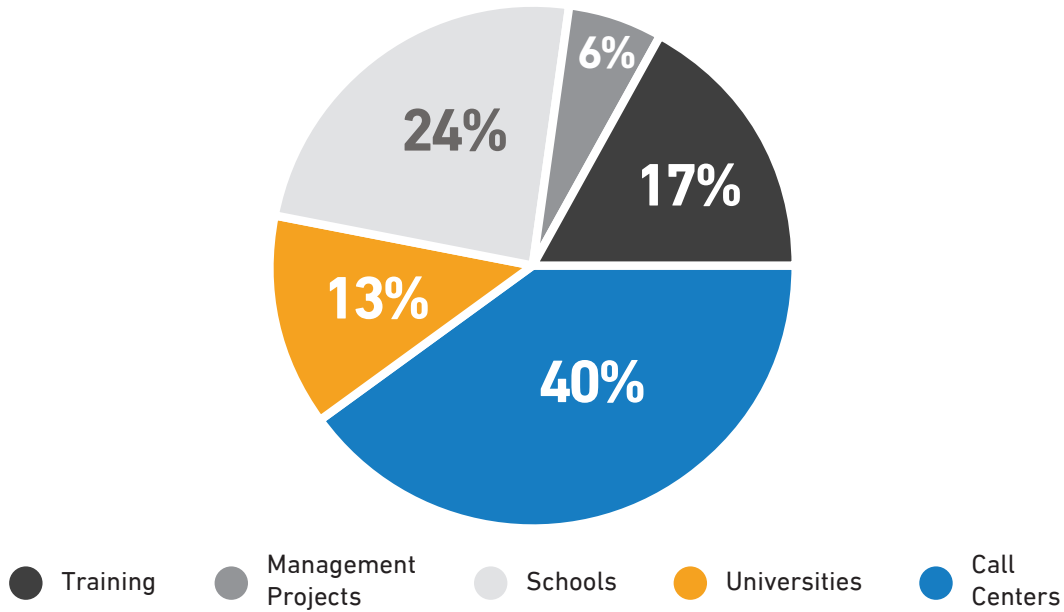
Schools and Kindergartens:

- Dammam schools operate with a capacity of 90% and have been expanded to reach about 2,000 students. This property was sold to the Al-Rajhi REIT Fund and leased back.
- Riyadh Schools, Al Mugharazat District, opened in September 2017G, with a capacity of 3,500 students. This property was sold to Al-Rajhi REIT Fund and leased back.
- Schools in Jeddah that were opened in early September 2018G, with a capacity of 2,500 students.
- The company has an independent kindergarten in Riyadh, and this property was sold to Al-Rajhi REIT Fund and leased back. Another independent kindergarten building was rehabilitated in the city of Dhahran and was commissioned in September 2016.
- The company has a school in the Hittin district of Riyadh and started operating in September 2021G.
- A government land with an area of 19,712 was leased in Al-Jazirah district in Riyadh for 28 years, at an amount of 700,000 riyals annually, and construction permit procedures were started. The educational complex is expected to be operational in September 2024G.
- The company rented Rowad Al Khaleej Private Schools for Girls in the city of Dammam for 20 years. There are 500 students in it and its capacity reaches 700 students.
- The procedures for acquiring 60% of Al-Roqi private schools in Al-Suwaidi neighborhood in Riyadh have been completed, with a value of (12,817,128) Saudi riyals,
- Acquisition of 60% of Al-Faisaliah National Schools in the city of Jeddah at a value of (60,000,000) sixty million riyals in August 2022 AD, and the company increased its ownership to 87% in March 2023 AD. With a value of 30,600,000 riyals.
- Al-Khobar School was opened in September 2023 with a capacity of 2,500 students.
- A non-binding agreement was signed on 07/09/2023 with Adwaa Al-Hidaya Private Schools Company for Boys and Girls (a Saudi closed joint stock company) to acquire 80% of its ownership shares in the schools in Adwaa Al-Hidaya School and Regat Jarmar International Multinational Education Schools in the city of Riyadh.
- The company is currently suspended from finalizing the necessary licenses to build schools in King Abdullah Economic City in Rabigh, with a capacity of 2000 students, until the vision becomes clear about King Abdullah Economic City.
- The number of students reached during the year 2023G, with the schools of which the acquisition was completed, to 11500 students.

The third activity: Call Centers Segment (Advanced Systems and Solutions for Communications - Smart Link)

- This segment has grown remarkably over the past years, thanks to Allah and then thanks to the efforts of the work team, which was able during the past period and since the company's inception to have a distinct strategy and an integrated understanding of the needs of the labor market, taking advantage of the distinction of its human experiences, which helped in the company's acquisition of most of the market share culminated in contracting with many government and private agencies. This department works to provide trained and qualified Saudi cadres to play different roles according to the contractual need, which falls within the work of outsourcing and operating on behalf by carrying out the work either at the client's headquarters or within the company's facilities. The company is distinguished by its state-of-the-art technical equipment, which is constantly updated to ensure the provision of all the latest technologies in terms of customer services and customer experience.
- Smart Link services include providing solutions and support services for business on behalf and operation by providing human cadres in various disciplines (information technology, sales and marketing, various departments, customer services and call centers)
- Smart Link provides comprehensive solutions for integrated call center services (including call center in-house services or out-source services on behalf of the client), and solutions for establishing, supplying, installing, operating, managing, monitoring and controlling the performance of call centers for technical support, assistance and modern customer services according to the latest international standards and modern technologies.
- The total capacity of Smart Link operations headquarters is 3,800 customer service representative seats supported by cadres of team leaders, supervisors and support business units to keep pace with the rapid growth in the size of the company's projects and operations, which enables Smart Link to operate various projects with a total call exchange volume of more than 400,000 calls per day within various operations segments.
- Smart Link operations headquarters are distributed in the main cities (Riyadh, Jeddah) in addition to an additional regional location in the Arab Republic of Egypt – Cairo.
- In August 2022G, Al-Khaleej Training and Education Company separated the call center segment (Smart Link) into an independent company named (Advanced Communications Systems and Solutions Company) in preparation for offering it in the parallel market after obtaining the necessary licenses for that from the regulatory and licensing authorities.
- In the last quarter of the year 2022G, the company made a complete modernization of the technical infrastructure of the segment to be a safe environment and provide various services to its customers in an efficient and quality manner, keeping pace with the latest requirements of call centers.

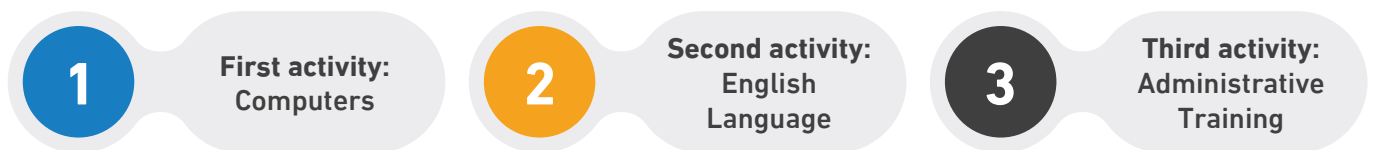
Activity Revenues



Impact of those main activities on the size of the company's business and contribution to the results are as follows:

No.	Type of activity	Activity Revenues	Percentage %
		Thousands of Saudi Riyals	
1	Management Projects	60,404	6%
2	Training	161,028	17%
3	Call Centres	397,041	40%
4	Universities	126,002	13%
5	Schools	239,175	24%
Total		983,650	100%

Description of the Main Activities of Subsidiaries:



Impact of those main activities of the subsidiaries on the size of the company's business and contribution to the results are as follows:

No.	Type of activity	Activity Revenues	Percentage %
		Thousands of Saudi Riyals	
1	Computers	11,069	1%
2	English Language	3,904	0.4%
3	Administrative Training	42,386	4%
4	Education	76,341	8%
5	Call Centers	397,041	40%
6	General Consultation	1,170	0.1%
Total		531,911	54%

16

Company's important Plans and Decisions, and Business Prospects

First: In the Training Segment:

The sector aims to continue to focus on competitive factors to win competitions and increase income, to operate specialized vocational colleges to compensate for the decline in university projects, in addition to focusing on modern programs required in the labor market and compatible with the Kingdom's Vision 2030 through the formation of specialized teams, heading to the development of specialized and advanced centers with preparations and equipment that revolve around specialization such as (artificial intelligence, cybersecurity, tourism, hospitality, cooking and arts).

The training sector in its various departments is expected to grow by 5% in 2024.

The growth in the training segment with its different sections is expected in 2023G by (10%).

Second: In the Education Segment:

In order for the company to fulfill its expansion plans in the education segment, it was decided to do so through:

1. Continuing the policy of acquiring majority stakes in existing schools that achieve operating profits and have appropriate expansion plans.
2. Continuing to activate distance education to benefit from it in providing additional lessons and during times when studies are interrupted due to weather conditions..

It is expected that the number of students will grow during the year 2024G to 14,000 students..

Third: In the Call Centers Segment (Advanced Systems and Solutions for Communications - Smart Link):

In order for the company to fulfill its expansion plans in the telecommunications segment, it was decided to do so through:

1. Completing the procedures for obtaining the International Quality Certificate for Call Centers (COPC)
2. Completing the procedures for obtaining the International Quality Certificate for Call Centers (ISO 9001)
3. Completing the procedures for obtaining International Quality Certificates for technical standards and information security for call centers (ISO 27001 certificate).
4. Activating the latest artificial intelligence (AI) methodologies in call center applications and systems and develop ways and methodologies to activate them in the company's projects.
5. Applying and approving the approved standards for information security and obtaining conformity certificates from the relevant authorities (certificate of conformity to the standards of the National Cybersecurity Authority, a certificate of conformity to the standards of the Saudi Arabian Monetary Agency, and a certificate of conformity to Aramco standards).
6. Activating and applying the work of the necessary human cadres in call centers to work from home, as the company saw this as an appropriate solution to ensure the continuity of providing services to the segment in crises and pandemics, Allah forbids.
7. The latest artificial intelligence (AI) methodologies have been activated in call center applications and systems and activated in some of the company's projects.
8. Applying and approving the approved standards for information security and completing obtaining conformity certificates from the relevant authorities (certificate of conformity with the standards of the National Cybersecurity Authority, certificate of conformity with the standards of the Saudi Central Bank, and certificate of conformity with Aramco standards).
9. Supply projects related to the supply of systems and equipment for call center systems have been started, which were among the plans allocated to the company last year so that it will be one of the most important sources of new income in the future.
10. The company seeks to design and develop systems related to artificial intelligence through the software development team in order to develop the volume of business that is provided to customers and increase the volume of expected revenues
11. the company seeks to focus on developing profits and improving profit margins by adopting the items mentioned above.

17

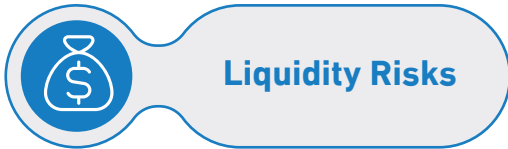
Risks faced by the company



Following are the risks the company may face:

1. Governmental competition represented by universities, technical colleges, and governmental and semi-governmental companies that offer competing programs similar to what the company offers.
2. Frequent changes in work and labor regulations and long procedures for obtaining work visas that enable the company to compete in government tenders.
3. Universities tend to self-employ for preparatory years, which may lead to lower revenues in the education segment.
4. High levels of competition in the communication segment in terms of price reduction in the competitions for which it is submitted.
5. Increasing financing and administrative expenses.

The company's policy regarding the management and control of these risks is to search for alternative solutions and develop strategies and plans that aim to expand in many other areas, covering the consequent shortage of some of the revenues of those activities because of those risks. The company always strives to limit and control those risks. There are also other types of potential risks related to the company's activities. The most important of them are:



Liquidity Risks

They are the risks resulting from the inability to provide the funds necessary to meet the obligations related to the financial instruments. Liquidity risk is managed by monitoring it regularly to ensure the availability of sufficient liquidity by carefully following up on the collection process to fulfill any obligations of the company on their due dates.



Credit Risks

Credit risks are the inability of one party to fulfill its obligations, which may lead to the other party incurring a financial loss. The company believes that its exposure to credit risk is not significant, especially since the company is depositing cash balances into national financial institutions that are highly credible and maintain good credit rating.



Risks of fluctuating foreign exchange rates

It is the risk of change in the value of financial instruments due to changes in the foreign exchange rates. The company's management is closely monitoring the fluctuations in the foreign exchange rate. The company believes that the possibility of its exposure to the risk of changing exchange rates is not significant because the official currency of the company is the Saudi riyal, which is the main currency the company is dealing with. The price of Saudi riyal is fixed currently, with slight margin, against the US dollar, although there are some transactions in foreign currencies made by the company's branches outside the KSA. These risks are managed and monitored on a regular basis.



Risks of Compliance with Government Legislation and Regulations

They are the risks arising from non-compliance with government legislations and regulations issued by official bodies or government agencies. This includes, but not limited to, CMA instructions regarding compliance, disclosure, and application of accounting standards, the instructions of the Ministry of Commerce and Industry, the Ministry of Labor, the Zakat and Income Authority, etc. The company is continuously monitoring these risks by reviewing all the obligations and requirements and submitting the necessary ones to the concerned authorities within the specified time.

The company's assets, liabilities and business results in the last five financial years



Comparing business results

S/N	Statement	2023	2022	2021	2020	2019
	Income Statement (in Thousands)	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
1	Activity revenues	983,650	877,215	842,797	787,328	864,191
2	Activity costs	759,164	731,939	695,903	663,219	685,518
3	Gross profit	224,486	145,276	146,895	1,124,109	178,673
4	General and administrative expenses	258,893	169,219	202,723	166,054	144,783
5	Other revenue - net	30,453	28,558	33,992	23,221	33,055
6	Zakat	29,519	13,089	11,483	1,984	2,675
7	Minority interest	8,545	6,838	2,528	320	4,804
8	Net profit	(42,018)	(15,312)	(35,848)	(21,028)	59,465

Comparative figures for the year 2022 have been reclassified to conform to the presentation of the 2023 figures

Comparing Assets and Liabilities

S/N	Statement	2023	2022	2021	2020	2019
	Balance Sheet (in thousands)	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
1	Current assets	565,027	537,650	584,099	462,262	1,155,435
2	Current liabilities	546,989	604,974	615,371	374,754	499,250
3	Operating capital	18,038	(67,324)	(31,272)	87,507	656,185
4	Other long term assets	856,037	995,524	983,095	716,947	718,571
5	Fixed assets	638,682	553,614	451,463	459,350	436,864
6	Total assets	2,059,746	2,086,789	2,018,657	1,638,559	1,738,667
7	Current assets	546,989	604,974	615,371	374,754	499,250
8	long term loans	228,586	98,845	0	161,157	98,545
9	Other liabilities	787,437	775,436	773,224	518,454	506,034
10	Total Liabilities	1,563,012	1,479,255	1,388,595	1,054,365	1,103,829
11	Paid-up capital	650,000	650,000	650,000	450,000	450,000
12	Reserves and retained earnings	(189,361)	(77,959)	(23,455)	131,322	178,923
13	Shareholders' equity	460,640	572,040	626,545	581,322	628,923
14	Minority interests	36,094	35,494	3,517	2,872	5,915
15	Total equity	496,734	607,534	630,062	584,194	634,838
16	Total liabilities and shareholders' equity	2,059,746	2,086,789	2,018,657	1,638,559	1,738,667

The comparative figures for the year 2021 have been reclassified to conform to the way the figures for the year 2022 are presented

Geographical analysis of the company's total revenues

Geographical analysis of the company's total revenue:

S/N	year	Statement	KSA
S/N	year	Revenues	SAR '000
1	2023	Management projects	60,404
2		Training	161,028
3		Call centers	397,041
4		Universities	126,002
5		Schools	239,175
S/N	year	Revenues	SAR '000
1	2022	Management projects	45,066
2		Training	131,575
3		Call centers	373,476
4		Universities	148,085
5		Schools	179,014

Geographical analysis of total revenues of subsidiaries:

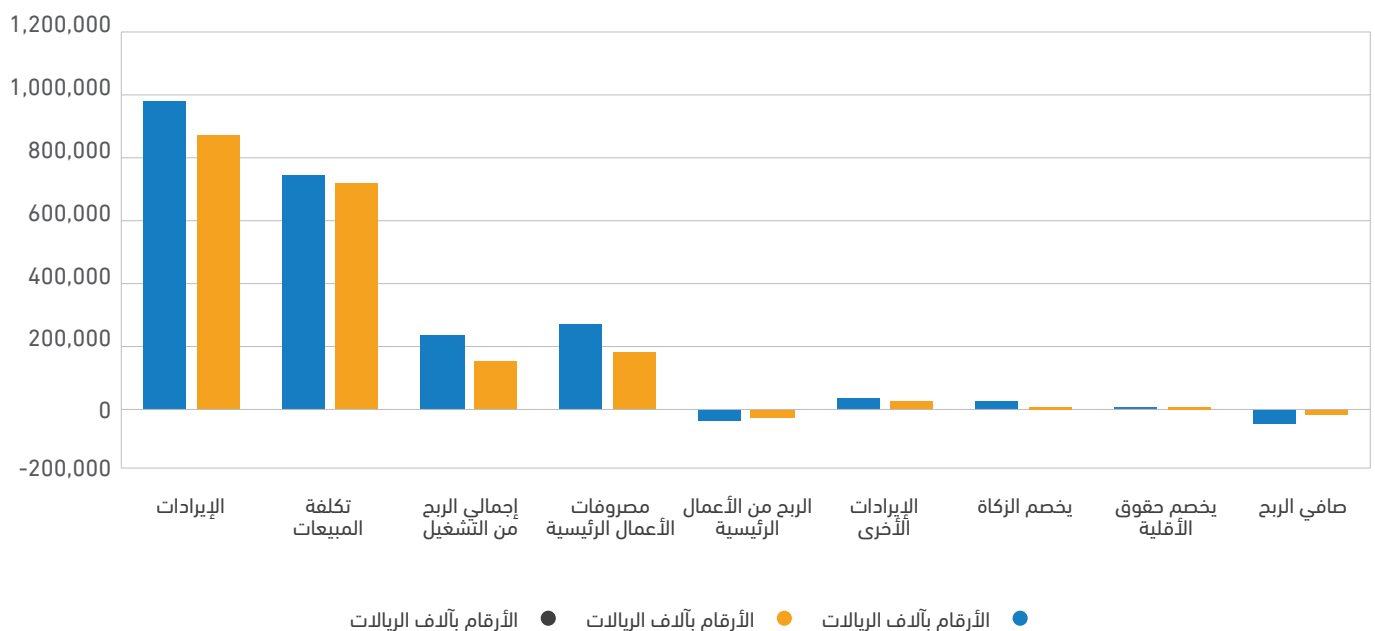
S/N	year	Statement	KSA	UAE	EGYPT	UK
S/N	year	Revenues	SAR '000	SAR '000	SAR '000	SAR '000
1	2023	Call Centers	397,041			
2		Education	76,341			
3		English Language				3,904
4		Computers		7,036	4,033	
5		General Consultation			1,170	
6		Administrative Training		42,386		
S/N	year	Revenues	SAR '000	SAR '000	SAR '000	SAR '000
1	2022	Call Centers	373,476			
2		Education	35,337			
3		English Language				2,504
4		Computers		9,183	6,290	
5		General Consultation			3,909	
6		Administrative Training		38,177		

20

An explanation of any material differences in the operating results from the results of the previous year or expectations announced by the company.

S/N	Statement	2023	2022	Change in (+) or (-)	Change percentage
		SAR '000	SAR '000	SAR '000	%
1	Revenues	983,650	877,215	106,435	12%
2	Sales cost	759,164	731,939	27,225	4%
3	Total operating profit	224,486	145,276	79,210	55%
4	Major works expenses	258,893	169,219	89,675	53%
5	Major operations profits	(34,407)	(23,942)	(10,465)	44%
6	Other revenues	30,453	28,558	1,796	6%
7	Zakat deduction	29,519	13,089	16,430	126%
8	Minority interest deduction	8,545	6,838	1,306	19%
9	Net profit	(42,018)	(15,312)	(26,304)	172%

Comparative figures for the year 2020 have been reclassified to conform to the presentation of the 2021 figures.



21

Clarification of any deviation from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

There are no variations or differences from the applicable accounting standards issued by the Saudi Organization for Certified Public Accountants that require disclosure. The company's records have been properly prepared according to the accounting standards issued by the SOCPA



22

A detailed list of subsidiaries, their capital, ownership percentage, main activities, country of main operations, and country of incorporation.

S/N	Name of Subsidiary	Capital	Ownership percentage	Main activity	Country of main operations	Country of incorporation
1	Fast Lane ConsultancyLTD	50,000 Dirhams	80 %	Training	UAE	UAE
2	Alkhaleej for Training and IT	4,500,000 Pounds	57 %	Training	Egypt	Egypt
3	Franklin Covey Middle East	2,500,000 Dirhams	61 %	Training	UAE	UAE
4	Linguaphone Limited	£ 1,606,639	100 %	Training	UK	UK
5	Jobzelle for General Consultancy	250,000 Pounds	60 %	Software	Egypt	UAE
6	Al Roqi National Schools Company Limited	100,000 Riyals	60 %	Education	KSA	KSA
7	Al-Faisaliah National Schools Limited	1,000,00 Riyals	87 %	Education	KSA	KSA
8	Alrriyadah Model School Company	500,000 Riyals	51%	Education	KSA	KSA
9	Advanced Systems Trading Company	50,000,000 Riyals	100%	Administration and Support Services	KSA	KSA

23

Details of shares and debt instruments issued for each subsidiary.

There are no shares or debt instruments issued by the subsidiaries of the company.

24 The Company's Dividends Distributing Policy

The company's policy of distributing net annual profits is based on Article 47 of the company's articles of association, after deducting all general expenses and other costs as follows:

1. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
2. The company may set aside a percentage of the net profits to form the statutory reserve of the company, and it may stop such retainer when the said reserve reaches (30%) of the paid-up capital.
3. The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside a percentage of the net profits to form reserves and allocate them for a specific purpose or purposes, provided that the use of these reserves shall be based on a proposal from the Board of Directors and in ways that benefit the company or shareholders.
4. The Ordinary General Assembly may decide to form other reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed profits as much as possible to the shareholders, and the said Assembly may also deduct from the net profits amounts to achieve social purposes for the Company's employees.
5. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, after fulfilling the controls and requirements set by the competent authorities in this regard.
6. The Board of Directors of Alkhaleej Training and Education Company recommended in its meeting held on Monday 15/09/1445 AH corresponding to 25/03/2024 to the General Assembly of Shareholders Not to distribute cash dividends to shareholders for the fiscal year ending on 31/12/2023 in order to focus on acquisitions and expansions in the education sector and provide the necessary financing for them and in support of the company's financial position.

	Percentage of dividends distributed during the year			Percentage of dividends to be distributed at the end of the year	Total of dividends
	00/00/2023	00/00/2023	00/00/2023		
Percentage	%	%	%	%	In Saudi riyal
Total	0	0	0	00	0000000

25

A description of any interest in the category of voting-eligible shares belonging to persons (other than the company's board directors, senior executives, and their relatives), who informed the company of those rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, and any change to those rights during the last fiscal year.

There is no interest in the voting-eligible shares category belonging to persons other than the company's board directors, senior executives, and their relatives, who informed the company of those rights or any change to those rights during the last fiscal year.



A description of any interest, contractual securities, and subscription rights belonging to board directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries and any change to that interest or those rights during the last fiscal year.

A description any interest, contractual securities, and subscription rights belonging to board directors and their relatives in the shares or debt instruments of the company

S/N	Name of the interest holder	No. of shares Beginning of year	Ownership percentage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	3.186.184	4.90	100.000	0.15	-3.086.184	-97%
2	Mr. Ahmed bin Ali Ahmed Al-Shadwi	123.595	0.19	123595	0.19	0	0
3	Eng. Al-Walid bin Abdul Razzaq Saleh Al-Duraian	4.750.357	7.31	4.550.357	7.00	-200.000	-0.042%
4	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	100	0.00015	100	0.00015	0	0
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini	1	0.0000001.5	1	0.0000001.5	0	0
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	100	0.00015	100	0.00015	0	0
7	Mr. Abdullah bin Muhammad Suleiman Jibreen	1444	0.0022	1444	0.0022	0	0
8	Al khaleej Holding Company	3856	0.0059	3856	0.0059	0	0
9	Jaoudeh bin Abdul Rahman Masood	1	0.0000001.5	1	0.0000001.5	0	0

A description any interest, contractual securities, and subscription rights belonging to senior executives and their relatives in the shares or debt instruments of the company

S/N	Name of the interest holder	No. of shares Beginning of year	Ownership percentage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Sherif Esmat Abdel Samee Hussein	13003	0.0200	13003	0.0200	00	00

A description any interest, contractual securities, and subscription rights belonging to board of directors, senior executives, and their relatives in the .shares or debt instruments of the company

S/N	Name of the interest holder	No. of shares Beginning of year	Ownership percentage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Not available	0	0	0	0	0	0

Information regarding the company's loans in SAR '000

First, short-term loans

S/N	Name of creditor and number of loan	Amount of loan principal	Loan term	Due date	Debt at the beginning of 2023	Loan movement during the year		Debt at the end of 2023
		SAR '000			SAR '000	Pay	Addition	SAR '000
1	Arab Bank	65,000	1 Year	27/06/2024	65,000	147,000	160,400	78,400
2	Saudi Awwal Bank (SAB)	18,000	1 Year	17/06/2024	18,000	30,000	42,000	30,000
3	Saudi Fransi Bank	14,500	1 Year	20/04/2024	14,500	14,500	14,500	14,500
4	Alinma Bank	31,000	1 Year	22/12/2024	31,000	61,000	84,000	54,000
5	Bank Aljazira -1	15,000	1 Year	26/11/2024	15,000	15,000	7,000	7,000
6	Bank Aljazira -2	2,812	3 Months	Bills finance	2,812	27,446	34,410	9,776
Total		146,312			146,312	294,946	342,310	193,676

Second, long-term loans

S/N	Name of creditor and number of loan	Amount of loan principal	Loan term	Due date	Debt at the beginning of 2023	Loan movement during the year		Debt at the end of 2023
		SAR '000			SAR '000	Pay	Addition	SAR '000
7	Saudi Fransi Bank -3	97,553	10 Years	0	97,553	5,333	2,447	94,667
8	Riyadh Bank	173,266	5 Years	0	173,266	67,185	0	106,081
9	Alinma Bank	0	7 Years	0	106,081	0	69,665	69,665
Total		270,820			270,820	72,518	72,112	270,413
Grand total		417,132			417,132	367,465	414,422	464,089

28

A description of classes and number of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year, with an explanation of any consideration the company obtained in return.

There is no convertible debt instruments or any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022 and the company has not received any compensation.

29

A description of any convertible or subscription rights by virtue of convertible debt instruments, any subscription right notes, or similar rights issued or granted by the company.

There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022G.

30

A description of any of the company's redemption, purchase, or cancellation of any redeemable debt instruments and the value of the remaining securities, with a distinction between listed securities the company purchased and those a subsidiary purchased.

The company has not redeemed, purchased, or canceled any redeemable debt instruments and the value of the remaining securities while distinguishing between listed securities the company has purchased and those a subsidiary has purchased.



31

Number of meetings held by the board during the last fiscal year (2023)

The board has held (4) meetings during 2022G, by attending in person / by phone / by means of modern technology and has passed (5) decisions, according to the following:

S/N	Name	Date of meeting and attendance record														At-attendance per-centage
		In-person / by phone / by means of modern technology					Passed decisions									
		1	2	3	4	5	1	2	3	4	5	6	7	8	9	
		28/03/2023	20/06/2023	30/08/2023	04/10/2023	20/12/2023	04/01/2023	24/04/2023	27/04/2023	14/05/2023	19/06/2023	22/08/2023	24/08/2023	09/11/2023	22/11/2023	
1	Mr. Abdulaziz bin Rashid Abdul Rahman Al-Rashed	✓	☎	✓	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100
2	Mr. Ahmed bin Ali Ahmed AlShadwi	☎	☎	✗	✗	✗	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	✗	✗	✗	✗	40
3	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarn	✓	☎	☎	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100
4	Dr. Abdullah bin Saghir Muhammad Al-Husseini	✓	☎	✓	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100
5	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	✓	☎	✓	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100
6	Mr. Abdullah bin Muhammad Suleiman Jibreen	✓	☎	✓	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100
7	Eng. Al-Walid bin Abdul Razzaq Saleh Al-Duraian	✓	☎	✓	✓	✓	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	ⓧ	100



Attended in person



Attended by delegating another board director



Attended by phone/means of modern technology



Did not attend



Passed decisions

32

Number of company applications submitted to shareholders' register during the last fiscal year (2023G)

Application No.	Application date	Reasons for application
1	19/01/2023	Companies' procedures
2	08/02/2023	Companies' procedures
3	23/02/2023	Companies' procedures
4	27/02/2023	Companies' procedures
5	01/05/2023	Companies' procedures
6	21/05/2023	Companies' procedures
7	19/06/2023	General Assembly
8	04/10/2023	Companies' procedures
9	09/11/2023	Companies' procedures
10	26/11/2023	Companies' procedures
11	20/12/2023	Companies' procedures
12	31/12/2023	Companies' procedures

33

A description of any transaction between the company and a relevant party.

There is no transaction between the company and a relevant party.

34

Business or contracts to which the company is a party, or in which there is an interest of a member of the board of directors of the company or its senior executives or any person related to any of them.

The company has contracts with companies owned by some members of the board of directors and they have a direct or indirect interest in them, as follows:

The first contract: A contract for renting a building for the company from Al-Falak Company for Electronic Equipment and Supplies

No	Nature of the work or the contract	amount of the contract	duration of the contract	terms of the contract	Name of the member with interest
1	Lease contract for a building from Al-Falak Company for Electronic Equipment and Supplies owned by stakeholders and members of the board of directors of Al-Khaleej Training and Education Company, with an area of (4000) square meters for a project with Aramco in Al-Khobar	SAR 900,000 Annually	7 years	Ordinary business without any preferential conditions or benefits	Abdulaziz bin Rashid Al-Rashed
					Ahmed bin Ali Al-AlShadwi

The second contract: An agreement to purchase the company's equipment and electronic products from Al-Falak Company for Electronic Equipment and Supplies

No	Nature of the work or the contract	amount of the contract	duration of the contract	terms of the contract	Name of the member with interest
2	An agreement to purchase electronic equipment and products needed by Al-Khaleej Company for Training and Education from Al-Falak Company for Electronic Equipment and Supplies owned by stakeholders and members of the board of directors.	SAR 1,000,000	One year	Ordinary business without any preferential conditions or benefits	Abdulaziz bin Rashid Al-Rashed
					Ahmed bin Ali Al-AlShadwi

The Third contract:: A contract Medical Insurance Contract with Allianz Saudi Fransi Cooperative Insurance Company

No	Nature of the work or the contract	amount of the contract	duration of the contract	terms of the contract	Name of the member with interest
3	A medical insurance contract with Allianz Saudi Fransi Cooperative Insurance Company to provide medical insurance services to the employees of Alkhaleej Training and Education Company and their families	SAR 21,243,684	One year	Ordinary business without any preferential conditions or benefits	Eng. Al-Walid bin AbdulRazaq Saleh Al-Duraian
					Dr. Abdullah bin Saghir Muhammad Al-Husseini

35

A statement of any arrangements or agreement under which a board director or a senior executive of the company has waived any remuneration.

There are no arrangements or agreements, under which a board of directors or a senior executive has waived a remuneration.

36

A statement of any arrangements or agreement under which a shareholder of the company waives any rights to dividends.

There are no arrangements or agreements, under which a board of directors or a senior executive has waived a remuneration.

37

A statement of the value of statutory payments made and due for Zakat, taxes, fees, or any other dues that have not been paid until the end of the annual fiscal period, with a brief description of them and their reasons.

S/N	Statement	2023		Brief description	Reasons
		Paid	Due until the end of the annual fiscal period and has not been paid		
		Thousand Riyals	SAR '000		
1	Zakat	17,029	25,193		
2	General Organization for Social Insurance	31,448	894		
3	Costs of visas, passports, and government relation	28,618	-		
Total		77,095	30,222		

38

A statement of the value of any investments or reserves created for the interest of the company's employees.

There are no other investments or reserves created for the interest of the company's employees.

39

The board declares that:

1. The company's accounting records have been prepared appropriately on a sound foundation.
2. The internal control system has been prepared based on sound foundations and has been implemented effectively.
3. There is no doubt about the company's ability to continue its activity on a going-concern basis.

40

A statement of the reservations (qualifications) in the auditor's report on the annual financial statements, their reasons, and any information related thereto.

The auditor's report has not included any qualifications or material observations on the annual financial statements for the fiscal year 2023G.

41

The Board's recommendation to change the auditor before the end of the auditor's mandate, with the reasons for recommending such change.

There is no recommendation from the board of directors to change the auditor before the end of the auditor's mandate.

42

Competitive businesses for the activity of company or any of the branches, in which any member of the board of directors is or was engaged. The statement shall it include the names of those involved in the competing business, and nature and conditions of this business.

There are no businesses that compete with the activity of the company or any of its branches in which any member of the board of directors is or was engaged.

43

Details of the treasury shares held by the company and details of the uses of these shares.

There are no treasury shares held by the company.

44

Company's Lawsuits:

1. The board confirms that no lawsuits have been instituted by or against the company during the fiscal year 2023G with a value exceeding 5% of the company's net assets.
2. The board confirms that there were no lawsuits filed during the fiscal year 2023G against any Company's director, a partner in a subsidiary, or any company's senior executive.

45

The Board confirms that:

1. The company is careful not to violate the regulations and to implement the Corporate Governance Regulations and all policies and procedures related to disclosure and transparency.
2. The company has not received any request from the certified auditor to convene the general assembly during the fiscal year ending in (2023G).
3. The Chairman has not received any written request from two directors or more to hold emergency meetings during the fiscal year ending in (2023G).
4. The company has not received from the shareholders owning at least (5%) of the company's capital a request to convene the general assembly during the fiscal year ending in (2023G).
5. The shareholders owning at least (5%) of the company's capital have not requested adding one item or more to the agenda of the general assembly when preparing it.
6. The Board has not absolved any of the company debtors from their liabilities towards the company during the fiscal year ending in (2023G).
7. The company has not placed any restrictions or policies that may impede a shareholder from using the rights guaranteed to the shareholders, according to the laws and regulations.
8. There are no material obstacles that may affect the company's ability to prepare its financial statements, according to international standards.
9. The company has not provided any cash loan of any kind to the board of directors. It also has not guaranteed any loan any of them has entered into with others.
10. The company does not have concession shares or shares that enjoy special priority in voting (whether for the shareholders, board directors, or its employees). All the shares of the company are ordinary shares of equal nominal value, equal voting rights, and other rights, according to the regulations.
11. The external auditor of the company has not provided any services of a consulting nature to the company and has not received any fees in this regard during the fiscal year ending in (2023G).

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Mechanism of communication with the company's shareholders.

Stemmed from the keenness of Al Khaleej Training and Education Company and its board to care for the rights of the company's honorable shareholders and open various, constant communication channels with them, the company has established a dedicated department to follow up on the affairs of the shareholders and stakeholders. The department also continuously communicates with them, responds to their questions and inquiries, and follows up on any potential issues they may face regarding the distribution of dividends, operations, or others.

The Shareholders' Affairs Department at Al Khaleej Training and Education Company may be communicated with through the following channels:



adel-amin@alkhaleej.com.sa



0114623260 - EXT 1593

The honorable shareholders may also follow our news and major events through the company's website:
www.alkhaleej.com.sa

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Closing
statement

Finally, the board of Al Khaleej Training and Education would like to sincerely thank all the company's shareholders for their valuable trust, constant cooperation, and continuing support to the company and its leadership. We would like also to thank the company's management and employees for their fruitful and distinguished efforts. Thanks are also extended to our partners of success for their constant support. We would not have achieved that success except for Allah Almighty's guidance and then your support, understanding, and loyalty to the company and its general strategy. We invoke the Almighty to have a prosperous year in 2024G. The company will continue, Allah willing, to exert more effort to achieve its future goals and plans and meet the expectations of our valued shareholders.

We hope that the information presented to you in this annual report by the board of Al Khaleej Training and Education Company on the results of the company's works in the fiscal year ending on 31 December 2022G has been satisfactory to you. Thanks to Allah, we have achieved the results stated in the report through the hard, continuous work of the board, the executive team of the company, and the cooperation of its employees. We will continue to maintain the level of growth and prosperity for all the company activities, Allah willing.

God bless you all.

**Chairman of the Board of Directors
Abdulaziz bin Rashid Al-Rashed**



Alkhaleej الخليج
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