



شركة الرياض للتعمير
ARRIYADH DEVELOPMENT CO.

ANNUAL REPORT

التقرير السنوي



On The Activities
And Achievements
of The Company
For The Period

From 1/1/2021 to 31/12/2021

2021

RIYADH DEVELOPMENT COMPANY PROJECTS

COMMERCIAL CENTERS



Attameer Riyadh Market



Attameer Commercial Center



Commercial Administrative Building



Attameer Plaza I



Attameer Plaza II



Attameer Plaza III

SERVICE & PUBLIC UTILITY PROJECTS



Cold And Freezing Stores



Attameer Public
Transportation Center



Attameer Meat
and Vegetable Market



Attameer Vegetable and Fruit
Wholesale Market



Attameer International
Car Auction

REAL ESTATE PROJECTS



Attameer Technical Services City



Attameer Sunrise Cities



Attameer Riyadh Hills

PROJECTS UNDER EXECUTION



Plan Of Tanal Co.



Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz



His Royal Highness

**Prince Muhammad
Bin Salman Bin Abdulaziz**

*Deputy Crown Prince
The Second Deputy Premeir
Minister Of Defense*



His Royal Highness

**Prince Faisal Bin Bandar
Bin Abdulaziz**

*Governor of Riyadh Region
Honorary President of the Board
of Directors*



His Royal Highness

**Prince Muhammad Bin
Abdurahman Bin Abdulaziz**

*Deputy Governor
of Riyadh Region*

BOARD OF DIRECTORS



Eng. faisal Bin Abdulaziz bin aiaf
Chairman



Dr. Ali Bin Abdulaziz Alkhudairi
Member



Khaled Saleh Al-Hadhal
Member



Fahad Abdullah Al-Qasim
Member



Eng. Ali Bin Abdullah Alhassoon
Member



Mansur Bin Abdullah Alzeer
Member



Majid Nasser Al-Subaie
Member



Abdullah Mohammed Al-Bahouth
*A representative of the General
Organization for Social Insurance*



REPORT ON THE COMPANY'S WORK AND ACHIEVEMENTS DURING THE PERIOD

from 01/01/2021 to 31/12/2021

Shareholders

May the peace, blessings mercy of Allah be upon you

The Board of Directors of ARRIYADH DEVELOPMENT CO. is pleased to submit to your General Assembly the annual report on the achievements made during the period from 1/1/2021 to 31/12/2021, together with the statement of financial status, income statement, sources and uses of funds, as well as the report of the auditor of the company's accounts, and the principles of the company's commitment to transparency and disclosure in accordance with the regulations of the Saudi financial market.

Company Profile

ARRIYADH DEVELOPMENT CO. was established by Royal Decree No. M/2 of 09/02/1414 AH as a national joint-stock company with the purpose of participating in the development of the Central Riyadh area, in addition to meeting investment aspirations in all areas of the Kingdom. The company works to achieve the aspirations of its shareholders by investing in service and public benefit projects in partnership with the State and the private sector, as well as investing in real estate planning and development in all areas. Its capital is SAR 1,777,777,770.

Company Vision

Arriyadh Development Co. should be a pioneer in the field of real estate development of all types and forms, as well as in the implementation and operation of public benefit projects and related activities.

Company Message

Contribution to meeting the needs of society for all types of real estate products (residential, commercial, administrative, recreational, hotel, etc.) with the highest degree of planning and technical quality, as well as to provide services for the public good in a modern, sophisticated and high-quality manner.

Company Strategy

One of the most prominent initiatives to implement the strategic plan is to restructure the organization of the Riyadh Construction Company so that it may become a holding company in the future. This will be done by gradually separating the markets and centers of the existing company, so that each of them will assume the tasks of management and operation independently, with a view to transforming them into independent companies in the future. The plan will focus senior management on strategic planning, business development, investment and financing. The plan also includes entering into strategic partnerships with others or acquiring companies based on the conditions that serve the interests of the company. The strategic plan initiatives also include directing to increase the company's capital in order to serve its future purposes and ensuring that great importance is attached to the economic feasibility of any new projects the company intends to enter into, whether they be residential, commercial, office, recreational, hotel or other projects.

Geographical Scope

The company's projects are currently concentrated in Riyadh. The company's statutes allow it to invest in all areas of the Kingdom. Whenever it finds the appropriate opportunity, which will be added to the company and serve its shareholders, it will exploit it, whether in Riyadh or elsewhere in the Kingdom and abroad.

Projects

First: Projects in progress

1. Plan of Tanal Co. (Associate):

The plan of Tanal Co. is located in the Al-Rimal District in the northeast of Riyadh. It has a total area of 3 million square meters, of which 69.38% are for the company.

The area was developed and, after development, 1,798,345 square meters were sold. The area of 1,090,482 square meters was sold, and the remaining area was sold until 31/12/2021, an area of 707,862 square meters.



Second: B.O.T. leased company land projects

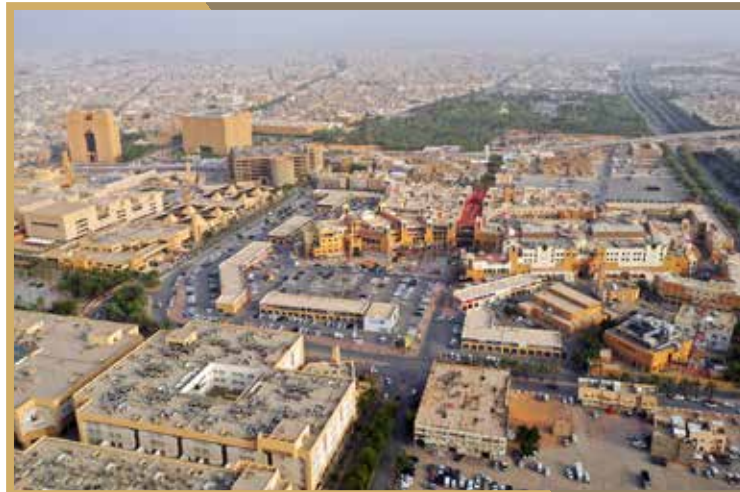
- On 13/05/1425, the company leased to an investor a plot of land belonging to it in the Al-Aziziyah area south of Riyadh, covering an area of 27,104 square meters (using the B.O.T. "Building, Operation and Transfer" system). The investor is to establish all the facilities, deliver and operate all the services such as electricity, water, sewage, telephone and other services. The investor built a commercial center on that land (Gardena Mall), which contains shops divided into 145 shops, supermarkets, amusement parks, parking lots and other service buildings. All these facilities will be owned by the company on 30/10/1447, which will have a positive impact on the increase of the company's assets and revenues, God willing.

- On 01/11/1425, the company leased a plot of land belonging to an investor in the Al-Aziziya area south of Riyadh, covering an area of 15,576 square meters. It leased the land, which is owned by the investor in the B.O.T. building, operating and transferring system. The investor is to establish all the facilities and deliver and operate all the services, such as electricity, water, sewage, telephone and other services. On that land, the investor set up a trading center, which is a store of prominent companies. The ownership of all the company's facilities will return on 15/05/1447, which will have a positive impact on increasing the company's assets and revenues, God willing.

Operational aspects:

Concentration Center for Wholesale :

The center is located in the city center of Riyadh on King Fahd Road in the Qasr Al-Hukm area on a land owned by the company with an area of 104,475 square meters and a building area of 197,021 square meters. The center is characterized by the diversity of its activities through more than 1160 residential, office and commercial rental units that include men's, women's and children's needs, luxuries, perfumes, foodstuffs, mobile phones and others.



Plaza Construction Center (1):

The center is located in the center of Riyadh on King Fahd Road, on a company-owned land area of about 1200 square meters. It contains 16 accessories and foodstuffs as supplementary activities to the Concentration Center for Wholesale .



Plaza Construction Center (2):

The center is located in central Riyadh on three main streets (Al-Muqaybara Street, Imam Muhammad bin Saud Street, and Al-Sabalah Street) on a plot of land owned by the company. It covers an area of about 5,000 square meters, and contains 83 shops specializing in the activities of men's fabrics, perfumes and oud, and foodstuffs and sweets



Construction Center Plaza (3):

The three-story center is located in the center of Riyadh on King Fahd Road on a 7,000 square meter plot, with building areas at about 21,000 square meters. It includes 110 shops and 38 administrative offices, in addition to the availability of a number of services and parking lots. The project is an expansion and extension of the Concentration Center for Wholesale in the Al-Deera neighborhood in the Qasr Al-Hukm area in the center of Riyadh.



Construction for International Auto Auction:

The auction is located in the north-east of Riyadh on Dammam Road in Al-Rimal District. It is located on land owned by the company with an area of 241,495 square meters, and the building area is 28,820 square meters. It includes 9 bidding lanes with a capacity of 1800 cars every three hours. It also has a storage area of 20,000 cars on asphalt, planned, paved and lighted lands. It also contains modern infrared security systems and precise surveillance cameras to maintain the cars in it, and the auction stores cars. It is cleaned, inspected, and then offered for sale. The auction provides services to customers as a neutral intermediary for the sale of cars without any of its employees engaging in the purchase business. This is done through an integrated work environment (traffic, passports, insurance companies, car rental companies, other services, etc.).

Construction center for public transport

The center is located south of the city of Riyadh on the Southern Ring Road in the Aziziyah district. It is built on company-owned land with an area of 148,303 square meters. The center provides its services to travellers by road by buses and taxis through scheduled trips around the clock daily inside and outside the Kingdom.



Commercial and residential Construction Center for Public Transport:

The center is located to the east of the Construction Center for Public Transport in Riyadh. It has an area of 8,300 square meters and consists of a multi-story commercial and residential building with 20,691 square meters. The project includes 31 commercial shops, 128 residential apartments, in addition to parking lots and a number of other services and facilities.

Construction market for fruit and vegetables:

The market is located south of Riyadh on the southern ring road behind the Riyadh Construction Market in Aziziya district on a 299,226 square meter property owned by the company. The market serves farmers as vendors and buyers as traders and consumers.



The Riyadh Construction Market, Refrigeration and Freezing Warehouses and Commercial Building:

The market is divided into three parts:

Riyadh Construction Market:

The market is located in the south of the city of Riyadh on the Southern Ring Road in the Al-Aziziya district on a plot of land owned by the company with an area of 25,001 m² and it consists of 8 separate buildings with a surface area of (32,622) m², and the market contains 155 rental units (offices, shops) and the market is predominantly specialized In the wholesale and retail trade in dates.



Cold and freezing warehouses:

Cooling and freezing warehouses are located south of Riyadh in the Aziziyah district, next to the Concentration market for wholesale vegetables and fruits, built on company-owned land with an area of 27,862 square meters. The project contains 56 cold and freezing warehouses, characterized by flexible temperature control (+5 to -20), as well as offices and dry display areas on the first floor.



Al Haeer Road Building:

The building is located south of the city of Riyadh on Al-Haeer Road in Al-Aziziyah District. It is built on a plot of land owned by the company, with an area of 2,000 square meters and building surfaces of 2,532 square meters. It contains (26) rental units (offices, shops) for various activities.



Concentration Market for Meat and Vegetables in Al-Batha:

The market is located in the center of the city of Riyadh on King Abdulaziz and Tariq bin Ziyad roads. It is located on a land leased from the Riyadh Municipality with an area of 13,691 square meters. The market is distinguished by the stability of its customers as a market specialized in the sale of meat, fish and vegetables.

Atika Central Market:

The market is located in the center of Riyadh on King Fahd Road, and it is built on an area of 186,000 square meters. It includes more than 660 shops for the activities of dates, honey, dairy, poultry, eggs, food supplies, fish and meat, 660 trays of vegetables, leaves and fruits, in addition to 33 trade fairs for various activities and a number of (87) administrative offices. In addition to the offices designated for the management of the company, more than 2,500 parking spaces, as well as a multi-purpose activity yard for festivals and seasonal celebrations, parking for trucks and workers' cars, and allocating lanes for shoppers to facilitate their movement within the market.

The market is operated by the company based on a contract signed with the Ministry of Municipal and Rural Affairs to re-establish, invest, operate and maintain the Atika Central Market for 25 years.



Company Property

First: Kingdom Centers and Markets Company's:

Administration / Center	(Area (Square Meters
Construction market for fruit and vegetables	.sq. mt 299226
Construction for International Auto Auction	.sq. mt 241495
construction center for public transport	.sq. mt 148303
Construction center for wholesale	.sq. mt 104475
Riyadh Construction Market	.sq. mt 25001
(Construction Center Plaza (1	.sq. mt 1200
(Construction Center Plaza (2	.sq. mt 5000
(Construction Center Plaza (3	.sq. mt 7000
Cold and freezing warehouses	.sq. mt 27864
Azizia Land - Developed with B.O.T	.sq. mt 27104
Azizia Land - Developed with B.O.T	.sq. mt 15576
Total	.sq. mt 902244

Second: Company owned land:

Administration / Center	Area (square meters)
Technical Services City Land - Complete Service Scheme	250000 sq. mt.
Lands of Qasr Al-Hukm District	39963 sq. mt.
Tilal Al-Riyadh Lands - Developed with Safi	22965 sq. mt.
Tanal Company Scheme (Associate Company)	491115 sq. mt.
Total	804043 sq. mt.

Third: Projects built on leased land:

Administration / Center	Area (square meters)
Otaiqah Central Market	186.000 sq. mt.
Al-Taamir market for meat and vegetables in Al-Batha	13.691 sq. mt.
Total	199.691 sq. mt.

Financial Results

- * The company achieved total revenues for the financial year ended 31/12/2021 at SAR 483,087,110, an increase of 46% over 2020.
- * The company's expenses were SAR 155,468,733.
- * The company earned a net profit before zakat (SAR 327.678.377).
- * For the year 2021, a sum of 9,308,882 SAR was allocated for the zakat.
- * The amount of SAR 31,830,950 was transferred to the general reserve, which is equivalent to (%10) of the net profits of the company after deducting the legal zakat.

Impact of activities on the company's business

Statement	Operating activity	Leasing activity	Land activity	Common assets and liabilities	Total
For the year ended December 31, 2021					
Total assets	320,728,244	1,191,582,694	23,061,230	898,846,738	2,434,218,906
Total liabilities	39,707,363	98,319,725	102,328,725	172,620,749	412,976,562
Activity revenues	133,224,363	117,687,851	-	-	250,912,214
Activity costs	30,760,566	47,319,520	-	-	78,080,086
Total income	102,463,797	70,368,331	-	-	172,833,128
For the year ending December 31, 2020					
Total assets	311,088,124	1,214,456,391	23,046,050	818,994,860	2,367,585,425
Total liabilities	38,490,468	104,751,836	102,328,725	140,919,342	386,490,371
Activity revenues	126,757,946	110,972,589	-	-	237,730,535
Activity costs	23,040,558	46,066,789	-	-	69,107,347
Total income	103,717,388	64,905,800	-	-	168,623,188

Statement	Actual data	Actual data	Deviation (SAR)	Deviation %
	2021	2020		
Activity revenues	250,912,214	237,730,535	13,181,679	6%
Activity costs	78,080,086	69,107,347	- 8,972,739	- 13%
Total profit	172,832,128	168,623,188	4,208,940	2%
Marketing and administrative expenses	74,307,855	22,041,652	- 52,266,203	- 237%
Operating profit	98,524,273	146,581,536	- 48,057,263	- 33%

- * Data are prepared in accordance with international accounting standards adopted in Saudi Arabia
- There's a 2% increase in overall company profitability and a 33% reduction in operating profit due to: High administrative and public expenses.

Statement of value of regular payments due

Statement	2021	2020	Description	Cause
Sharia zakat and tax	9,308,882	8,539,385	Imposed amounts are Zakat expenses	Government requirement
General Social Insurance Institution	1,463,840	939,379	Social insurance by labor system in Saudi Arabia	Government requirement
Chamber of Commerce and Industry	2,450	1,600	Fees	Government requirement
Depository company	400,000	400,000	Fees	Government requirement
Total	11,175,172	9,880,364		

Financial statements for the past five years

Statement of financial positions as at 31 December (Million SAR)

Statement	2021	2020	2019	2018	2017
Total assets	2434.22	2367.59	2331.42	2411.60	2335.26
Non-dominant property rights	-	-	-	-	-
Total shareholder rights	2021.24	1981.10	1927.91	2067.55	1964.90
Total liabilities	412.98	386.49	403.51	344.05	370.36

* Data are prepared in accordance with international accounting standards adopted in Saudi Arabia

Income statement for fiscal years ended 31 December (Million SAR)

Statement	2021	2020	2019	2018	2017
Activity revenues	250.91	237.73	249.70	282.99	314.09
Other revenue	232.17	93.14	13.21	6.63	19.04
Total Revenue	483.08	230.87	262.91	289.62	333.13
Activity costs	78.10	69.11	64.88	67.64	66.25
Total profit and other income	405	261.77	198.04	221.98	266.88
Total expenses	86.70	33.84	55.10	18.06	44.54
Net profit before minority rights	318.31	227.93	142.94	203.92	222.34
Share of non-dominant property rights	-	-	-	-	-
Net profit of the year	318.31	227.93	142.94	203.92	222.34
Operating profit	98.52	146.58	154.84	202.58	235.14

* Data are prepared in accordance with international accounting standards adopted in Saudi Arabia

Cash Flow Statement for the financial years ended 31 December (Million SAR)

Statement	2021	2020	2019	2018	2017
Cash flows from operational activities	144.06	165.91	190.35	197.09	289.16
cash flows from investing activities	-134.67	-74.10	-21.26	-22.92	288.52
Cash flows from financing activities	-2.41	-63.67	-179.46	-147.67	- 624.09

*Some comparison year numbers have been retabulated to match the current year's offer.

* Data are prepared in accordance with international accounting standards adopted in Saudi Arabia

Other Investments

The company undertook various investment operations as follows:

1. Contributing to Tabuk Cement Company at a cost of (600,000 SAR) for 12,000 shares (it has now reached 77,142 shares after splitting and distributing dividends in the form of shares).
2. Investment in a portfolio of shares managed by a financial institution licensed under portfolio management agreements approved by the Capital Market Authority at a cost of SAR 50 million.
3. Investments in the Saudi Company for Heritage Hospitality (a closed Saudi Joint Stock Company) include 2 million shares worth a total of 20 million Riyals, with 8% of the capital. The company has paid 5 million SAR as an instalment of its share in this investment, and the company is currently under liquidation.
4. On 20 May 2019, the company, in partnership with Sumou Holding Company, established Tanal Investment and Real Estate Development Company (Limited Liability Company) with 69.38% capital for Riyadh Construction Company and 30.62% ownership for Sumou Holding Company, the same percentage each owns in the Al-Thamma Land, which covers an area of 3 million square meters, for the purpose of transferring the assets of the first Riyadh Real Construction Fund, whose participation was closed on 15 October 2019, to complete the implementation of the remaining infrastructure works for the land in question. During the second quarter of 2012, it was agreed that part of the share of Sumou Holdings would be ceded to SUMOU Real Estate. Accordingly, the ownership rate in Tanal Real Estate Investment and Development Company (Riyadh Construction Company 69.38%, SUMOU Holdings 20.62%, Sumou Real Estate 10%) was reached. The total investment of Riyadh Construction Company in Tanal Development and Real Investment Company (limited liability company), as at 31/12/2021, amounted to SAR 451,136,194.
5. Invest in long-term profit deposits with Al Khair Capital for SAR 250,000,000.
6. Invest in short-term profit deposits with the National Arab Bank for SAR 120,000,000.

Retained Earnings

- The balance of the remaining profits as at 31/12/2021 was SAR 129,094,523.
- **Board of Directors' Remuneration and the Executive Committee**
- **the audit committee, the investment committee and the committee for awards and nominations**
- The total attendance allowance for meetings of the Board of Directors and all Board committees was SAR 297,000.

Corporate Governance

In response to the requirements of the Financial Market Authority and its regulations and the company's commitment to establishing best disclosure and transparency practices, the company discloses to its generous shareholders the following:

First: The provisions of the Corporate Governance Regulation that have been applied, the provisions that have not been applied, and the reasons for this:

a) The following table details the extent of the company's compliance with the Saudi Arabian Companies Governance Regulation issued by the Capital Market Authority.

SN.	Article No.	Context	Partially applied	Not apply	
1	(39) Training	(3) Establish mechanisms for continuous access to training programs and courses for each member of the Board of Directors and executive management; to develop their skills and knowledge in fields relevant to the company's activities.		✓	The article is still guidance and when it is adhered to, the company will apply it.
2	(41) Assessment	(a) The Board of Directors, at the proposal of the Nominations Committee, shall establish the necessary mechanisms to evaluate the performance of the Board, its members, committees and executive management on an annual basis; This is done through appropriate performance measurement conferences linked to the extent to which the company's strategic objectives are met, the quality of risk management and the adequacy of internal control systems, among others, identifying strengths and weaknesses and proposing that they be addressed in the company's interest.	✓		Evaluation without performance indicators
3	(41) Assessment	(e) The Board of Directors shall make arrangements to obtain a competent external evaluation of its performance every three years.		✓	The article is still guidance and when it is adhered to, the company will apply it.
4	(70) Establishment of the Risk Management Committee	A committee called the Risk Management Committee shall be established by a decision of the Board of Directors. The Chairman and the majority of its members shall be non-executive board members. Its members are required to have an appropriate level of knowledge of risk management and finance.		✓	The article is still guidance and when it is adhered to, the company will apply it.
5	(72) meetings of the Risk Management Committee	The Risk Management Committee shall meet periodically at least every six months and whenever needed.		✓	The article is still guidance and when it is adhered to, the company will apply it.
6	(78) Internal audit report	(b) The internal audit unit or department shall prepare and submit to the Board of Directors and the Audit Committee a written general report on audits conducted during the financial year and their comparison with the approved plan. It sets out the reasons for any breach or deviation from the plan, if any, during the quarter following the end of the financial year concerned.	✓		The internal audit system requires the report to be presented to the audit committee and the audit committee to report the most significant findings
7	(85) Workers' motivation	1) Form committees or hold specialized workshops to listen to the opinions of the employees in the company and discuss the issues and topics covered by important decisions.		✓	The article is still guidance and when it is adhered to, the company will apply it.
8	(85) Workers' motivation	2) Programs that give employees a share in the company or a share of the profits made by it, and pension programs, and the establishment of a separate fund to spend on those programs		✓	The article is still guidance and when it is adhered to, the company will apply it.
9	(85) Workers' motivation	3) The establishment of social organizations for the employees of the company.		✓	The article is still guidance and when it is adhered to, the company will apply it.
10	(87) Social responsibility	The General Assembly, on the proposal of the Board of Directors, shall establish a policy to ensure a balance between its objectives and those to which society aspires, with a view to developing the social and economic conditions of society.		✓	It will be certified when it is mandatory
11	(88) Social action initiatives	1) Development of benchmarks linking company performance with initiatives in social work and comparing them with other companies of similar activity		✓	The article is still guidance and when it is adhered to, the company will apply it.
12	(88) Social action initiatives	2) The disclosure, awareness, and education of the social responsibility goals that the company adopts for employees.		✓	The article is still guidance and when it is adhered to, the company will apply it.
13	(95) Formation of the Corporate Governance Committee	In the event that the Board of Directors establishes a committee on corporate governance, it shall delegate to it the competencies prescribed by Article 94 of this Regulation, and this committee shall follow up on any subject concerning the application of governance. Reports and recommendations of the Board of Directors shall be provided at least annually.	✓		Oversight and updating of governance requirements are within the purview of the legal administration and the company does not have a governance committee and when it's mandatory it's going to be

Second: Classification of board members, number of meetings during the year, attendance record and names of contributing companies whose board member is:

a) Composition of the Board of Directors :

SN.	Member Name	Membership classification		
		Executive	Non-executive	Independent
1	Prince Faisal Abdulaziz Ayyaf - representative of the Riyadh Region Secretariat*			✓
2	Mr. Ali Abdullah Al-Hassoun		✓	
3	Mr. Khaled Saleh Al-Hadhal			✓
4	Mr. Mansour Abdullah Al-Zir		✓	
5	Mr. Majid Nasser Al-Subaie			✓
6	Dr. Ali bin Abdulaziz Al-Khudairi		✓	
7	Mr. Fahad Abdullah Al-Qasim			✓
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution		✓	

- * At its meeting held on 3 March 2021, the Board of Directors decided to accept the apology of the Executive Chairman, Eng. Ali Abdullah Al-Hassoun, for renewing his contract, which expires on 25 September 2021, based on his personal desire and his continued membership in the Board of Directors.
- * The Board of Directors issued its decision on 08/09/1442 A.H., corresponding to 04/20/2021. approving the appointment of the Board member, His Excellency Mr. Abdullah bin Mohammed Al-Bahouth, as the Company's Executive Delegated Member from 21/04/2021. until the end of the current session of the Board on 24/06/2022.
- * The Board of Directors issued its decision to terminate the appointment of the Managing Director, Mr. Abdullah Mohammed Al-Bahawth, at his request, as of 31/12/2021, with the continuation of his membership in the Board of Directors.

b) Current and former board members' positions, qualifications and experience:

SN.	Member Name	Current positions	Former positions	Qualifications and experience
1	Prince Faisal Abdulaziz Ayyaf - representative of the Riyadh Region Secretariat*	Riyadh District Secretariat	Royal Commission for Riyadh	He specializes in city planning and management, where he received a master's degree from Harvard University in 2016 in urban planning and management, a master's degree in architecture and urban design from Columbia University in New York in 2014 and a doctoral candidate from Berkeley University of America. His Highness previously worked in 2016 at the Royal Commission for Riyadh as a design and urban studies consultant. He also worked in 2016 at Skidmore Owings and Merrill (SOM) in Chicago, USA, and in 2011 as an architect at Moriyama and Tashima Urban Planning Office in Canada.
2	Mr. Ali Abdullah Al-Hassoun	Business Man	Chief Executive Officer (CEO)	He holds a master's degree in architecture and planning from USA and has experience in real estate, investment, architectural and engineering plans.
3	Mr. Khaled Saleh Al-Hadhal	Business Man	Business Man	He holds a master's degree in public administration from the Indiana State University in the United States, worked in the Department of Housing and Public Works, served as a leader in General Electric and worked in the Faisaliah Group.
4	Mr. Mansour Abdullah Al-Zir	Retiree	Khaled Al Baltan Group Consultant	He holds a bachelor's degree in media and has done several works in real estate investments supervision of commercial and residential buildings.
5	Mr. Majid Nasser Al-Subaie	Executive Director of Nasser Alsubaie Company and his children for investment	Business Man	He holds a Bachelor's degree in economics from King Saud University. He works as the CEO of Nasser Al-Subaie and Sons Investment Company. He also works as a board member of the Saudi Automotive Services and Equipment Company (SASCO) and a board member of Brunei Islamic Bank.
6	Dr. Ali bin Abdulaziz Al-Khudairi	Retiree	Shura Board member	He holds a Ph.D in Arabic literature and has a special job in real estate and participates in real estate contributions
7	Mr. Fahad Abdullah Al-Qasim	Chairman of the Board of Directors of the Al-Qasim Office for Accounting and Consulting	Chairman Of Amwal Co. For Financial Consultations	He holds a Bachelor's degree in Accounting from King Saud University, as well as a management and leadership program from Oxford University, and he has membership in the boards of directors of a number of joint stock companies.
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution	General Director of the General Administration of Participant Affairs of the General Retirement Institution	Representative of the General Social Insurance Corporation and Director of the Administration of Participant Accounts of the General Retirement Institution	Master of Applied Statistics, University of Golev, Canada, graduated with a number of positions in the General Organization for Retirement

(c) The names of companies within and outside the Kingdom of Saudi Arabia of which the member

of the board of directors of the company is a member of the current and previous boards of directors.

SN.	Member Name	Names of companies whose board member is a member of their current boards or directors	Inside and outside KSA	Legal entity	Names of companies for which a member of the board of directors is a member of their previous boards or directors.	Inside and outside KSA	Legal entity
1	Prince Faisal Abdulaziz Ayyaf - representative of the Riyadh Region Secretariat*	Riyadh Holding Company	Inside KSA	Holding			
		Riyadh Downtown Development Company	Inside KSA				
		Rimat Al Riyadh Development Company	Inside KSA				
2	Mr. Ali Abdullah Al-Hassoun	NA	--	--	Al-Ahsa Development Company	Inside KSA	Listed Joint Stock Company
	Mr. Khaled Saleh Al-Hadhal	Albilad Capital Company	Inside KSA	Closed Joint Stock Company			
		MASIC Company	Inside KSA	Closed Joint Stock Company			
		Almaktaba Marketing Company	Inside KSA	Limited Liability Company			
		Simplify International Company	Inside KSA	Limited Liability Company			
		Muzn Investment Company	Inside KSA	Limited Liability Company			
		Alkhamat Logistics Company	Inside KSA	Limited Liability Company			
		Bank Albilad Company	Inside KSA	Listed Joint Stock Company			
		Cordoba Houses Fund	Inside KSA	Closed Fund			
		Argan Company	Inside KSA	Limited Liability Company			
4	Mr. Mansour Abdullah Al-Zir	NA	--	--	--	--	--
5	Mr. Majid Nasser Al-Subaie	Sasco	Inside KSA	Listed Joint Stock Company			
		Mohammed Ibrahim Al Subaie & Sons Investment Company (MASIC)	Inside KSA	Closed Stock			
6	Dr. Ali bin Abdulaziz Al-Khudairi	NA	--	--	--	--	--
7	Mr. Fahad Abdullah Al-Qasim	The Savola Group	Inside KSA	Listed Joint Stock Company	Bank Albilad Company	Inside KSA	Listed Joint Stock Company
		Dallah Health Services Company	Inside KSA	Listed Joint Stock Company	NAQEL Company	Inside KSA	Closed Stock
		Dur Hospitality Company	Inside KSA	Listed Joint Stock Company	Saudi Postal Corporation	Inside KSA	Governmental institution
		Jarir Marketing Company	Inside KSA	Listed Joint Stock Company	Abdul Latif Al-Issa Holding Group	Inside KSA	Unlisted joint stock company
		Argan Projects Company	Inside KSA	Closed Stock	Al Rajhi Lafa Company	Inside KSA	Limited Liability Company
		Fincorp Financial Consulting	Outside KSA	Closed Joint Stock Company (Egyptian)	Raj Real Estate Company	Inside KSA	Limited Liability Company
		Dr. Mohammed Rashid Al-Faqih & Partners Company	Inside KSA	Closed Stock	National General Motors Company	Inside KSA	Limited Liability Company
		Abdullah Ibrahim Al-Subaie Holding Company	Inside KSA	Closed Stock	Saudi Heritage Hospitality Company	Inside KSA	Closed Stock
		Gulf Basket Company	Inside KSA	Limited Liability Company	Rakeeb Najd International Company	Inside KSA	Closed Stock
		21st Century Real Estate Appraisal Company	Inside KSA	Limited Liability Company			
		Etihad Al Rajhi Investment Holding Company	Inside KSA	Closed Stock			
		Ares Commercial Investment Co., Ltd.	Inside KSA	Limited Liability Company			
		Jarir Investments Company	Inside KSA	Closed Stock			
		Mohammed Abdul Aziz Al Habib & Sons Holding Company	Inside KSA	Closed Stock			
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution	Yamama Cement Company	Inside KSA	Listed Joint Stock Company			

d) Current and previous executive management positions, qualifications and experience:

Name	Current Position	previous Position	Qualifications and experience
Jihad bin Abdul Rahman Al-Qadi	Chief Executive Officer (CEO)	Senior Department Director - General Administration for Local Real Estate Investments in the Public Investment Fund	A bachelor's degree in economics from King Saud University in Riyadh, and a master's degree in executive management and a candidate for an executive diploma for membership of the boards of directors. He also received a number of executive courses in a number of prestigious universities such as Harvard Business School, London Business School, and IE University in Madrid
Mr. Fayez Abdullah Al-Ahmari	Legal Advisor	Head of legal affairs unit	Bachelor's degree in law and has experience in the field of legal advice
Mr. Mamdouh Ahmed Shehata	Director of the financial department	Head of accounts department	He holds a Bachelor of Accounting and a fellowship of the Association of Accountants and Auditors, and has experience in the field of external auditing
Mr. Walid Abdullah Al-Kharji	Assistant Chief Operating Officer	General supervisor of centers and markets	King Saud University Information Systems Bachelor's degree: more than 18 years of experience in services and product development processes; more than 10 years of work in digital transformation in IT and telecommunications companies

(e) Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholder proposals and observations regarding the company and its performance:

At the first meeting, the President of the Board of Directors shall inform the members of the Board of Directors, in particular non-executive members, of the proposals and observations received from shareholders regarding the company and its performance.

The Board of Directors met during the period from 1/1/2021 to 31/12/2021 (7).

SN.	Member Name	Meeting							Attendance %
		First 03/03/2021	Second 17/03/2021	Third 20/04/2021	Fourth 04/05/2021	Fifth 13/07/2021	Sixth 20/10/2021	Seventh 13/12/2021	
1	Prince Faisal Abdulaziz Ayyaf - representative of the Riyadh Region Secretariat*	Present	Present	Present	Present	Present	Present	Present	100%
2	Mr. Ali Abdullah Al-Hassoun	Present	Present	Present	Present	Present	Present	Present	100%
3	Mr. Khaled Saleh Al-Hadhal	Present	Present	Present	Present	Present	Present	Present	100%
4	Mr. Mansour Abdullah Al-Zir	Present	Present	Present	Present	Present	Present	Present	100%
5	Mr. Majid Nasser Al-Subaie	Present	Present	Present	Present	Present	Present	Present	100%
6	Dr. Ali bin Abdulaziz Al-Khudairi	Present	Present	Present	Present	Present	Present	Present	100%
7	Mr. Fahad Abdullah Al-Qasim	Present	Present	Present	Present	Present	Present	Present	100%
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution	Present	Present	Present	Present	Present	Present	Present	100%

(f) The means by which the Board of Directors evaluated its performance and that of its committees and members, and the external evaluator's relationship with the company if any

The Committee on Nominations and Rewards investigates the weaknesses and strengths of the board of directors whenever they appear, studies them, and knows the reasons for them, and suggests that they be dealt with in the interest of the company and improve its performance.

Third: Interest and rights of board members, chief executives, spouses and minor children:

Interest and rights of members of the Board

SN.	Member Name	Period start 01/01/2021		Percentage	Period end 31/12/2021		Percentage
		Secretariat	Personal		Secretariat	Personal	
1	Prince Faisal Abdulaziz Ayyaf - representative of the Riyadh Region Secretariat*	35,554	0	0,020%	35,554	0	0,020%
2	Dr. Ali bin Abdulaziz Al-Khudairi	81,000		0,045%	1000		0.0006%
3	Mr. Ali Abdullah Al-Hassoun	37,510		0,021%	37,510		0,021%
4	Mr. Khaled Saleh Al-Hadhal	0		0	0		0
5	Mr. Mansour Abdullah Al-Zir	50,000		0,0,028%	1000		0.0006%
6	Mr. Majid Nasser Al-Subaie	1,333		0,001%	1,333		0,001%
7	Mr. Fahad Abdullah Al-Qasim	2000		0,001%	2000		0,001%
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution	Retirement	Personal	4.67%	Insurances	Personal	4.95%
		8,602,435	0		8,800,034	0	

Senior executive interest and rights

Name	Period start 01/01/2021	Percentage	Period end 31/12/2021	Percentage
Mr. Ali Abdullah Al Hassun	37,510	0,021%	as of 9/25/2021	0,021%
			37,510	
Mr. Abdullah Muhammad Al-Bahouth	From 21/04/2021	0%	0	0%
	0			
Mr. Jihad Abd El-Rahman Al-Qadi	01/12/2021	0%	0	0%
	0			
Mr. Ali Abdullah Al Hassun	5,500	0,003%	23,170	0,019
Mr. Mamdouh Ahmed Shehata Farag	0	0	0	0

*

* The Board of Directors issued its decision on 25/09/2021 appointing Professor Jihad Bin Abd Al-Rahman Al-Qadi to the position of "CEO" of the company effective 1/12/2021.

Fourth: Terms of reference of Board committees

Executive committee

Brief description of the Commission's functions:

1. Review the verification of the adequacy of working capital, the applicable business model and strategic plans and their funding activities.
2. Review all work before presenting it to the Board and provide an opinion with a recommendation.
3. Review and recommend to the Board investment opportunities, acquisition, integration, ownership and partnership activities.
4. Review and recommend to the Board the impact of proposed transactions and transactions on the list of the financial position of the company, including the required funding, and assess the impact on liquidity and debt ratios.
5. Review the progress of the integration procedures and programs following the merger or acquisition of the business during the first trimester following the finalization of any transaction to ensure the successful integration of the acquired activity seamlessly into the business of the company.
6. The Commission may perform any other functions consistent with its purposes, functions, responsibilities and any other work requested of the Commission by the Board of Directors
7. The Committee, through its Chairman, shall report periodically to the Board of Directors on all decisions, actions and actions taken.
8. The company shall bear any costs necessary for the commission to carry out its work after the approval of the Board

Committee members and number of meetings for 2021:

SN.	Committee members:	Number of meetings (5)				
		First 9/9/2021	Second 28/4/2021	Third 11/7/2021	Fourth 17/10/2021	Fifth 5/12/2021
1	Mr. Khaled Saleh Al-Hadhal, "Chairman of the Committee"	Present	Present	Present	Present	Present
2	Mr. Ali bin Abdullah Al-Hassoun "Member"	Present	Expired			
3	Mr. Fahad Abdullah Al-Qasim "Member"	Present	Present	Present	Present	Present
4	Mr. Majid Nasser Al-Subaie "Member"	Present	Apologized	Present	Present	Present
5	Mr. Abdullah Mohammed Al-Bahaouth	Did not begin	Present	Present	Present	Present

Audit committee

Brief description of the Commission's functions

The Committee shall examine the matters pertaining to it or to which it is referred by the Board and shall submit its recommendations to the Board for decision or for decisions to be taken by the Board. The Committee shall inform the Board of its findings, take decisions or recommend them. The Committee is responsible for monitoring the company's work and financial activities to verify policies and procedures that guarantee the integrity and integrity of reports, financial lists and internal control systems. The Committee's functions include, in particular:

1. Financial reports:

1. Consider the initial quarterly and annual financial lists before they are presented to the Board of Directors and provide feedback and recommendations to ensure their integrity, fairness and transparency.
2. Provide a technical opinion, at the request of the Board, on whether the annual report of the Board and the financial statements of the company are fair, balanced and understandable and include information that allows shareholders and investors to assess the financial position, performance, business model and strategy of the company.
3. Examine any significant or unusual issues contained in financial reports and accounts.
4. Examine any issues raised by the company's financial manager, his/her supervisor, company obligor, or auditor.
5. Verification of accounting estimates in material matters in financial reports.
6. Study, provide opinions and recommend to the Board of Directors on corporate accounting policies.

2. Internal Audit:

1. The study and review of the company's internal control, financial and risk management systems.
2. Supervise and verify the effectiveness of internal audit management plans and actions in line with regulations, regulations and professional practice in this regard, and recommend to the Board of Directors the appointment and proposal for remuneration of the director of the internal audit unit or department.
3. Study internal audit reports and follow up on the implementation of corrective actions for the observations contained therein.
4. Oversight and oversight of the performance and activities of the internal auditor and the internal audit department of the company, in order to ensure that the necessary resources are available and effective in performing the work and tasks assigned to it. If the company does not have an internal auditor, the committee shall make recommendations to the board on the need for his appointment.
5. Ensure the independence of internal audit and enable it to function effectively.

3. Auditor:

1. Recommend to the Board the nomination, dismissal, determination of fees and performance evaluation of external auditors, after ascertaining their independence and reviewing the scope of their work and the terms of their engagement.
2. Verify the independence and objectivity of the External Auditor, taking into account the relevant rules and standards.
3. Review the company auditor's plan and work, verify that there are no overlaps or deficiencies in the performance of his or her functions and verify that he or she does not perform functions beyond the scope of the audit work, and express its views thereon.
4. Respond to external auditor's inquiries.
5. Study the reports and observations of the External Auditor on the financial statements, make observations thereon, if any, and follow up action taken thereon.

4. Commitment Assurance:

1. Review the results of oversight reports and verify that the company has taken the necessary action.
2. The oversight of a company's compliance with regulations, rules, policies and instructions related to the scope of its work.
3. Review contracts and proposed dealings with relevant parties and potential conflicts of interest, if any, and make recommendations thereon to the Board.
4. Raise to the Board, within the scope of its work, such matters as it deems necessary for action and make recommendations on the steps to be taken.

Committee members and number of meetings for 2021

SN.	Committee members:	Number of meetings (5)				
		First 8/3/2021	Second 2/5/2021	Third 12/7/2021	Fourth 18/10/2021	Fifth 12/12/2021
1	D. Ali Abd El-Aziz Al-Khudairi, "Chairman of the Committee"	Present	Present	Present	Present	Present
2	D. Tami Hadeef Al-Bakmi	Present	Present	Present	Present	Present
3	Mr. Abdullah bin Mohammed Al-Bahawth "Member"	Present	Expired			
4	Mr. Majid Nasser Al-Subaie "member"	Present	Apologized	Present	Present	Apologized
5	Suleiman Nasser Al Hitlan *	Did not begin		Present	Present	Present

* The Board of Directors decided to appoint Mr. Sulaiman Bin Nasser Al-Hattlan (an independent member outside the Board) as a member of the Review Committee from 5 May 2021 until the end of the current term of the Committee on 24 June 2022. The appointment was to be made by the former member of the Committee, Mr. Abdullah Bin Mohamed Al-Bahout (an independent member), who resigned from the Committee on 21 April 2021. The appointment shall take effect from the date of the decision issued on 5 May 2021, and was adopted by the General Assembly on 15 September 2021.

Nominations and Awards Committee

Brief description of the Commission's functions:

Mr. The Commission shall be competent with respect to the awards:

1. Develop a clear policy for all members of the Board of Directors, the committees of the Board and executive management, and submit it to the Board of Directors for consideration for adoption by the General Assembly, taking into account performance-related criteria, disclosure and verification of implementation.
2. Clarify the relationship between bonuses granted and the applicable bonus policy and show any material deviation from this policy.
3. Periodically review the rewards policy and assess its effectiveness in achieving its objectives.
4. Recommend to the Board the remuneration of its members, its committees and senior executives in accordance with the policies and regulations adopted.
5. Review and endorse the Executive Chairman's recommendations on the general criteria for financial rewards and other benefits for senior executives, which the Executive Chairman implements in the light of the policy mentioned in paragraph (1) above.

B. The Commission shall be competent with respect to the nominations:

1. Propose clear policies and criteria for membership in the Board and executive management.
2. Recommend to the Board of Directors the nomination and re-nomination of its members in accordance with approved policies and standards, taking into account that no person convicted of a crime against the Secretariat shall be nominated.
3. Prepare a description of the capacity and qualifications required for membership of the Board and for executive management positions
4. Identify the time a member should be allocated to the work of the Board of Directors .
5. Annual review of the required skill or experience requirements for board membership and senior management positions.
6. Review the structure of the Board, executive management and its committees and make recommendations to the Board on possible changes
7. The independence of independent members is verified on an annual basis and there is no conflict of interest if the member is a board member of another company.
8. Functional description of executive board members, non-executive members, independent members and senior management.
9. Establish special procedures to fill a vacancy in the event of a vacancy in the membership of the Board or of senior management.
10. Identify the weaknesses and strengths of the Board and propose solutions to address them in the interest of the company by proposing the necessary mechanisms to evaluate the performance of the Board, its members and committees on an annual basis through appropriate performance measurement indicators linked to the achievement of the strategic objectives of the Company and the quality and adequacy of internal control systems and others, identifying the strengths and weaknesses and proposing that they be addressed in the company's interest.
11. Review the remuneration of Board committees, recommend any amendments thereto, and submit them to the Board for adoption.
12. Provide an appropriate level of training and familiarization to the new members of the Board and the committees on the tasks and achievements of the company so that they may perform their work with the required efficiency.
13. Develop mechanisms for the continuous access of each board member or executive management to training programs and courses in order to develop their skills and knowledge in areas related to the company's activities or management.

C. The Committee shall also have the following functions and responsibilities:

1. Assist the Board in the development and review of the organizational structure of the company.
2. Monitor the application of employee grievance policy and ensure its effectiveness.

Policy and mechanism to regulate remuneration of members of the Board of Directors :

- * Members of the Board shall be remunerated for a specified amount, meeting attendance allowance, expense allowance, benefits in kind or a percentage of profits. Two or more of these benefits may be combined, and not later than provided for by the Companies Regulations and Rules in accordance with the schedule included in this policy and any subsequent changes to the policy adopted in accordance with the Regulations.
- * Such remuneration may vary in amount and in the light of this policy. The annual report of the Board of Directors to the General Assembly for shareholders must include a comprehensive account of all remuneration, expense allowance and other benefits received by Board members during the financial year, as well as a statement of the receipts of Board members as workers, administrators, equivalent to technical or administrative work or consultancy (if any), and also an indication of the number of Board meetings and the number of meetings attended by each Member from the date of the last meeting of the General Assembly.
- * If the remuneration of the members of the Board is a percentage of the profits, the provisions of article 76 (2) of the Companies Regulations and article 45 of the Regulations shall be taken into account, provided that the total amount of remuneration and financial and in-kind benefits received by a member of the Board shall not in any case exceed SAR 500,000 per year.
- * Take into account that the remuneration of independent board members is not a percentage of the profits made by the company or is directly or indirectly based on the profitability of the company.

Mr. Each member of the Board, including the President of the Board, shall be entitled to the following rewards:

1. An annual bonus provided that the total amount of bonuses and financial or in-kind benefits received by a member of the Board of Directors does not exceed SAR 500,000 per year according to the regulations. The Chairman of the Board and the chairpersons of the Committees may be granted an additional bonus in exchange for the responsibilities and the tasks entrusted to them.
2. An attendance allowance of SAR 3,000 per session.
3. Travel and transportation allowance for those who are outside the city of the meeting headquarters in the amount of SAR 3,000.
4. profit bonus: A certain percentage of the net profits determined by virtue of a recommendation of the Awards and Nominations Committee, in the event that a company achieves profits after meeting the statutory conditions and requirements. The bonus of independent board members shall not be a percentage of the profits made by the company, nor shall it be based directly or indirectly on the profitability of the company.
5. The amount of the annual bonus for a Board member may be revised from one period to the next on the recommendation of the Committee in the light of performance changes and thus the approval of shareholders by the General Assembly.
6. The meeting attendance allowance and the additional attendance allowance are paid on a quarterly basis, while the annual lump-sum bonus is paid after its approval by the General Assembly to shareholders.

B. Each member of the committees emanating from the Board shall be entitled to the following rewards:

1. A yearly lump sum of SAR 150,000.
2. An attendance allowance of SAR 3,000 per session.
3. Annual bonus and meeting attendance allowance are paid on a quarterly basis.

C. Members of the Board and members of the committees emanating from the Board shall be entitled to the following expenses and other benefits:

1. The cost of travel tickets is borne by the company for Board and committee members residing outside Riyadh.
2. The company shall bear the costs of accommodations and tickets for all members of the Board, the committees, and the executive administration in the event of holding the meeting outside Riyadh. The member shall be given a lump sum if he so desires, provided that it does not exceed SAR 5,000.
3. All round-trip tickets for members of the Board and committees are at first class or business class.

* It also asserts that there is no material deviation from this policy.

Committee members and number of meetings for 2021:

SN.	Committee members:	Number of meetings (5)				
		First 17/2/2021	Second 18/4/2021	Third 24/6/2021	Fourth 19/10/2021	Fifth 20/12/2021
1	Mr. Abdullah Mohammed Al-Bathiq, "Chairman of the Committee"	Present	Present	Expired		
2	Khaled Saleh Al-Hadhal, "Chairman of the Committee"	Did not begin		Present	Present	Present
3	D. Ali Abd El-Aziz Al-Khudairi	Present	Present	Present	Present	Present
4	Mr. Mansour Abdullah Al-Zeer 'member'	Present	Present	Present	Present	Apologized
5	D. Fahad Moussa Al-Zahrani "Member"	Did not begin		Present	Present	Present

Fifth: Rewards and Compensation:

SN.	Statement	Five top executives may receive the highest awards and compensation including the CEO and CFO
1	Salaries and compensation	7,643,899
2	Allowances	7,302,294
3	Periodic and annual bonuses	-
4	incentive schemes	1,686,976
5	Any other compensation or benefits in kind paid monthly or annually	-

Name		Certain amount	Fixed rewards						Variable rewards						End-of-service benefit	Grand total	Expense allowance
			Attendance at meetings of the Board allowance	Total Committee attendance allowance	in-kind profits	Remuneration for technical, administrative and advisory work	Remuneration of the chairman of the Board, the Managing Director or the Secretary, if such member	Total	Profit ratio	periodic rewards	short-term incentive schemes	long-term incentive schemesn	Awarded shares (value entered)	Total			
First: Independent members																	
1	1- His Highness Prince Faisal Abdulaziz Ayyaf, representative of the Riyadh region secretariat	-	21,000	0	0	0	0	21,000	0	485,000	0	0	0	485,000	0	506,000	
2	2- Mr. Khaled Saleh al-Hadhal	-	21,000	24,000	0	0	0	45,000	0	467,000	0	0	0	467,000	0	512,000	
3	Mr. Fahad Abdullah Al-Qasim	-	21,000	15,000	0	0	0	36,000	0	470,000	0	0	0	470,000	0	506,000	
4	Mr. Majid Nasser Al-Subaie	-	21,000	21,000	0	0	0	42,000	0	458,000	0	0	0	458,000	0	500,000	
Total		-	84,000	60,000	0	0	0	144,000	0	1,880,000	0	0	0	1,880,000	0	2,024,000	
Second: Non-executive members																	
1	1- Dr. Ali Abdulaziz Al-Khudairi	-	21,000	30,000	0	0	0	51,000	0	464,000	0	0	0	464,000	0	515,000	
2	2- Mr. Mansour Abdullah Al-Zir	-	21,000	15,000	0	0	0	36,000	0	482,000	0	0	0	482,000	0	518,000	
3	3- Abdullah Mohammed Al-Bahouth - Representative of the General Organization for Social Insurance	-	21,000	21,000	0	0	0	42,000	0	464,000	0	0	0	464,000	0	506,000	
4	4. Mr. Ali Abdullah Al-Hassoun	-	21,000	3,000	0	0	0	24,000	0	467,000	0	0	0	467,000	0	491,000	
Total		-	84,000	69,000	0	0	0	153,000	0	1,877,000	0	0	0	1,877,000	0	2,030,000	
Third: Executive members																	
0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Remuneration of committee members

	Name	Fixed remuneration (excluding meeting attendance)	meeting attendance allowance	Total
Audit committee members				
1	D. Ali Abd El-Aziz Al-Khudairi	0	15,000	15,000
2	Mr. Muhammad bin Abdullah Al-Bahawth - until 21/04/2021	0	3,000	3,000
3	D. Tami Hadeef Al-Bakmi	100,000	15,000	115,000
4	Mr. Majid Nasser Al-Subaie	0	9,000	9,000
5	Mr. Suleiman Nasser Al-Hathlan from 5/5/2021	0	9,000	9,000
	Total	100,000	51,000	151,000
Nominations and rewards committee members				
1	Mr. Abdullah Mohammed Al-Bahouth - until 21/04/2021	0	6,000	6,000
2	D. Mansour Abdullah Al-Zeer	0	15,000	15,000
3	D. Ali Abd El-Aziz Al-Khudairi	0	15,000	15,000
4	Mr. Khalid Saleh al-Hadhal - from 21/04/2021	0	9,000	9,000
5	D. Fahad Musa Al-Zahrani from 21/04/2021	0	9,000	9,000
	Total	0	54,000	54,000
Members of the Executive Committee				
1	Mr. Khalid Bin Saleh Al-Hathal	0	15,000	15,000
2	Mr. Ali Abdullah Al-Hassoun until 21/04/2021	0	3,000	3,000
3	Mr. Fahd Abdullah Al-Qasim	0	15,000	15,000
4	Mr. Majid Nasser Al-Subaie	0	12,000	12,000
5	Mr. Abdullah bin Mohammed Al-Bahouth - from 21/04/2021	0	12,000	12,000
	Total	0	57,000	57,000

Sixth: Results of the annual audit of the effectiveness of internal control procedures

As part of its audit of the company's final financial statements, the External Auditor evaluates the internal control system, including the accounting system in both theory and practice, and provides the company with a report containing the weaknesses of the system, if any, and how to address them. It is also enabled to consult the reports of the internal audit unit for the period under examination. Under the supervision of the Audit Committee, the company's internal audit unit carries out continuous financial, operational and technical audits to verify the effectiveness and efficiency of the internal control systems in protecting the company's assets, assessing business risks and measuring the adequacy of performance. The Internal Audit Unit submits its quarterly periodic reports to the Audit Committee, which contains the results of the internal control evaluation of the company. The annual audit committee report confirmed the effectiveness and quality of the company's internal control procedures and did not detect any fundamental weaknesses in the company's internal control system during 2021.

Statements of the Board of Directors

- * The account records were properly prepared.
- * The system of internal control had been well established and effectively implemented.
- * There is little doubt that the source is capable of continuing its activity

Disclosure

- * The company acknowledges that there are no loans to the company.
- * There is no penalty, sanction, precautionary measure or reserve imposed on the company by anybody or any supervisory, regulatory or judicial body.
- * The company recognizes that no member of the board of directors, CEO, CFO or any person associated with them has any direct or indirect interest in the business performed for the company, that all members of the board of directors have no involvement in any loan or that the company guarantees any board member a loan or obligation of any kind.
- * The company has no information on arrangements or agreements under which any board member or senior executive waived any salary or compensation.
- * There are no contracts with parties associated with members of the Board, the Chief Executive, his assistants, the Chief Financial Officer or any of their relatives.
- * The company has no information about arrangements or agreements under which any of its shareholders have waived its profit rights.
- * There are no investments or other reserves created for any of the company's employees.
- * The company was not informed of any interest in the category of shares entitled to vote and any change in those rights during the last financial year.
- * The company does not have debt instruments convertible into shares, and any option rights, warrants, subscription right or similar rights.
- * The company has not issued any conversion or subscription rights under debt instruments convertible into shares, option rights, subscription right notes, or similar rights.
- * The Company has no refund, purchase or cancellation of any redeemable debt instruments.
- * The Board of Directors, in its meeting held on February 17, 2022, recommended to the next General Assembly the payment of SAR 88888888.5 to the company's shareholders at the rate of (50 Halalas) per share as dividends for the second half of the year 2021.

General Assemblies

General Assemblies

SN.	Member Name	Attendance register	
		Ordinary General Assembly Meeting 4/18/2021 (remotely)	Ordinary General Assembly Meeting 9/15/2021 (remotely)
1	Prince Faisal Abdulaziz Ayyaf representative of the Riyadh Region Secretariat*	Present	Present
2	Mr. Ali Abdullah Al-Hassoun	Present	Present
3	Mr. Khaled Saleh Al-Hadhal	Apologized	Apologized
4	Mr. Mansour Abdullah Al-Zir	Present	Present
5	Mr. Majid Nasser Al-Subaie	Apologized	Apologized
6	Dr. Ali bin Abdulaziz Al-Khudairi	Present	Present
7	Mr. Fahad Abdullah Al-Qasim	Present	Present
8	Mr. Abdullah Mohammed Al-Bahouth - Representative of the General Social Insurance Institution	Present	Present

Dividend Distribution

	Percentage of dividends distributed during the year		Proposed dividends to be distributed at the end of the year	Gross profit
	Earnings for the second half of 2020	Earnings for the first half of 2020		
Percentage	6.5%	10%	5 %	21.5 %
Total	115,555,555 SAR	177,777,777 SAR	88888888.5	382222220.5

Shareholders register requests and dates

The number of the company's requests to the shareholders register	Request date	Reasons for request
1	20/1/2021	Corporate Actions
2	18/4/2021	General Assembly
3	21/4/2021	Earnings file
4	14/9/2021	Earnings file
5	15/9/2021	General Assembly

The risks that the company may face

The risks described below do not include all the risks that the company may face, but it is possible that there are additional risks that are not known to the company at the present time, or that the company may consider immaterial, that may hinder its operations.

Volatility in the company's operations and dependence on service projects

The company's business depends on two main lines, namely (1) service and public benefit projects (2) real estate development projects and commercial centers, and the income of these projects in the future may be affected by the extent of demand and demand for them, which may result in a negative impact on the company's operational results and financial position, which may affect The company's activity in service projects and public benefit also changed the demand and demand for such projects in different seasons witnessed by the city of Riyadh in particular, and the Kingdom in general. However, the company has turned to projects that provide various services and goods in the areas of transportation, cars, vegetables, fruits, meat and commercial centers, and its growth is characterized by a direct relationship with population growth.

Revenue collection

The company's sources of revenue are through the company's centers and markets between collection by checks, depositing in banks and cash collection, especially the latter. However, the company has addressed these risks by preparing accurate documentary courses and applying automated systems and electronic monitoring and follow-up systems to reduce these risks.

Obstructing the Company's Business

The company relies in its activities on the infrastructure of its projects, which contributed to increasing the confidence of customers in it. It has taken the necessary measures to protect its property from natural disasters or terrorist incidents by applying the highest levels of safety through periodic maintenance and security protection, but there is no guarantee by the company that the course of its business will not be delayed, even indirectly, by one of those obstacles.

Saudization

The company does not see any risk, as the company is classified within the excellent scope according to the classification of the Ministry of Labor, but there is no guarantee that the company will be able to maintain the current Saudization rate, but the important thing is that the company has accurate, modern and documented systems, regulations and procedures for all practical tasks, in addition to the policy It is concerned with employing Saudis and raising the Saudization rate.

Credit Risk

Credit risk represents the inability of one party to meet its obligations, which leads to the other party incurring financial losses. The company seeks to reduce credit risk through periodic follow-up of any outstanding receivables.

Liquidity Risk

It is the risk of an entity's inability to secure the necessary liquidity to meet the obligations related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly and at a value close to its fair value. The company manages liquidity risk by ensuring that the necessary funding is available in the company when needed.

Currency Risk

It is the risk of changes in the value of financial instruments due to changes in the exchange rates of foreign currencies. The company's primary transactions are in Saudi riyals. Management believes that the currency risk is immaterial.

Fair Value

The fair value at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction. Since the company's financial statements are prepared according to the historical cost principle, it can result in differences between the book value and the estimated fair value, the management believes that the fair value of the company's financial assets and liabilities are not significantly different from their book value.

Dividend Policy

As a consistent and followed policy, the Board of Directors proposes at the end of each fiscal year. The distribution of the company's net profits after deduction of all public expenses and other costs, including the legally prescribed zakat as stipulated in Article (44) of the Company's Statute, as follows:

1. A net profit to form a regular reserve shall be avoided (10%). Such a set-off may be discontinued by the General Assembly when the reserve in question amounts to half the capital.
2. The remainder shall then be distributed as payment to shareholders equal to 5% of the paid capital.
3. After the above, 5% of the remainder shall be allocated for the remuneration of the members of the Board of Directors, taking into account the decisions or instructions issued in this regard by the competent authorities. The remainder shall then be distributed to shareholders as an additional share of the profits.

Conclusion

We take this opportunity to commend the support given by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and his Crown Prince, Prince Mohammed bin Salman bin Abdulaziz, to the private sector. The Board also commends HRH Prince Faisal bin Bandar bin Abdulaziz, Governor of the Riyadh Region and Chairman of the Board of Directors of the Company, for his outstanding efforts through continuous guidance and follow-up to translate the purposes of the company's founding contract and its statutes into tangible reality. The Board also commends HRH Prince Mohammed bin Abdulrahman bin Abdulaziz, Deputy Amir of the Riyadh Region, for his support of the company in everything that would improve and develop performance and the public interest.

**Peace, mercy and blessings of God
Chairman and members of the Board**

