

الكثيري القابضة

AI KATHIRI HOLDING COMPANY

Board of Directors Report
AI Kathiri Holding Company
On the performance and
activities of the company

FY Year

2022



www.alkathiriholding.com



His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al Saud



Custodian of Two Holy Mosques
King Salman bin Abdulaziz Al Saud

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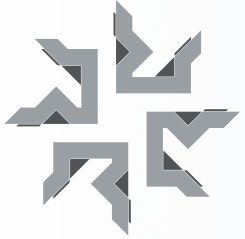


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AI KATHIRI HOLDING COMPANY



From the vision of the homeland, we have made great strides towards a future that emulates the Kingdom's Vision 2030

Al Kathiri Holding is a joint-stock company that works in the raw material sector and is specialized in managing its subsidiaries and investing its funds to provide the necessary support for these companies, owning industrial property rights such as patents, trademarks, industrial rights, franchises, and other intangible rights, and exploiting and leasing them to companies. affiliate or other,

Its subsidiaries operate in the basic materials sector through cement transportation and supply, ready-mix concrete industry, modern construction solutions, real estate development, and general construction.

Chairman's Statement

“We work continuously to achieve the company’s goals to realize and implement Company plans and strategies.”

Dear Respectful Shareholders of Al Kathiri Holding Company

Peace, mercy, and blessings of God

First of all, I am pleased to present to you the company’s annual report for the fiscal year ended on December 31, 2022, on behalf of the Board of Directors of Al Kathiri Holding Company, which was prepared in accordance with the company’s Article of Association, the requirements of the Companies Law of the Kingdom of Saudi Arabia, the requirements of the Corporate Governance Regulations and the rules on the offer of securities and continuing obligations issued by the Capital Market Authority. The report sheds light on the company's performance, achievements, results, the significant events that occurred, and its efforts during the year 2022.

We are also pleased to extend our sincere thanks, gratitude, and praise to all the company's employees for their sincerity, dedication, and tireless efforts to achieve the company's

goals and endeavors. We would like to express our deep thanks to our valued shareholders for their continuous support and confidence in the company, and we would like to inform you that we are ready to meet you in the annual General Assembly during the current year 2023 and that we are ready to respond to any inquiries about the information included in this report.

May Allah Almighty help us.

Rayed Mohammed Alkathiri



CEO's Statement

“Our vision is sky-high, and our main goal is to contribute effectively to the success of the Kingdom’s 2030 vision.”

The year 2022 began with many challenges and obstacles that faced our company, but we continued to work with dedication to overcome all obstacles in order to achieve the desired success to implement and realize our vision. Thanks to God and then the dedicated efforts of our employees, the company has achieved many successes in various fields.

By the grace of God, the company was able to start operating 3 new concrete plants in the Narjis View project in the Al-Jawan suburb, which helped increase the production of ready-mixed concrete by 64% compared to last year.

It was also able to obtain the necessary approvals and approvals to use the prefabricated panels used in modern construction techniques in all public and private projects, which will have a significant impact on increasing the sales of this sector during the coming years.

The Capital Market Authority approved the request of the special purpose facility, Al Kathiri Sukuk, established under License No. (SPE00034) and dated 051443/12/ AH corresponding to 122021/16/ AD, by Al Kathiri Holding Company (“The Sponsor”), to register and offer debt instruments based on debt general as part of a program to issue these tools with a value not exceeding 500 million riyals.

We will ensure that this program includes a series of issuances, and the value of the first issuance will be 100 million Saudi riyals, which will be used for the general commercial purposes of the company and to meet its financial and strategic objectives, as detailed in the basic prospectus prepared for the sukuk.

In conclusion, I thank the members of the Board of Directors for their follow-up and support of the Company's objectives. I also thank all the employees of the Company for their efforts to realize the aspirations of the shareholders and continue the success of the Company in its work.

I ask Allah to grant success to all.

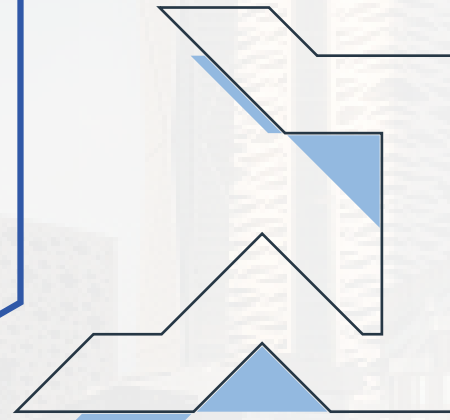
Meshal Mohammed Alkathiri



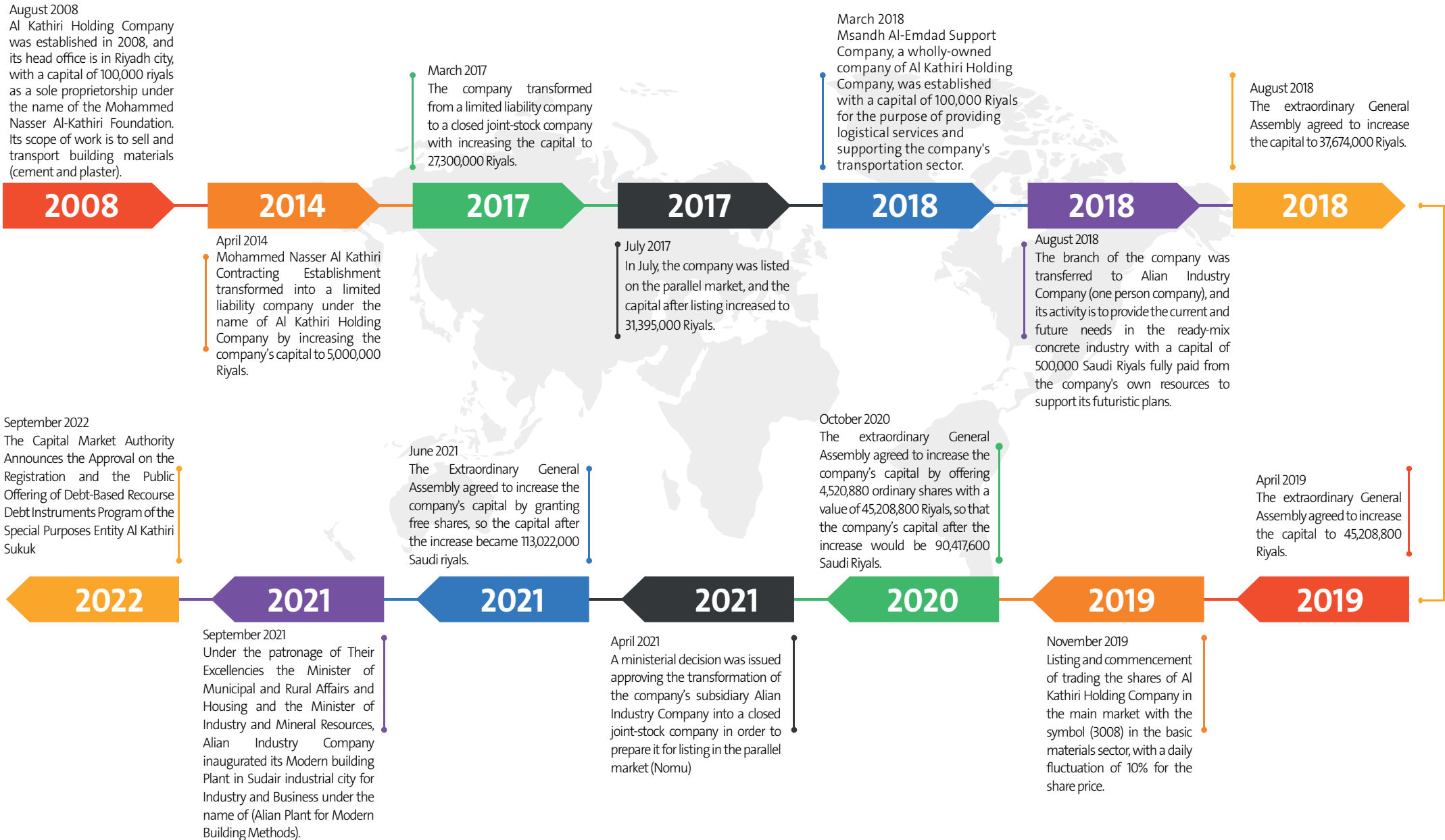


chapter one

about the company



A brief of the company's transformation.



The Company's Vision



To become the leading company in the Kingdom of Saudi Arabia in the field of supplying building materials with innovative solutions, and to contribute to supplying the Saudi market with high-quality products for a sustainable future.

The company's mission.



Building mutual trust between the company and its customers to achieve a sustainable society.

Developing the workforce to provide innovative products and solutions.

Paying attention to global standards, quality and satisfaction of producers and consumers.

Striving to leave make a difference on the success and development of society, and to reflect this on the company's clients.

To be the leader in providing future construction solutions and technologies in all aspects and to grow the company by providing what is required to serve customers.

The company's objectives



The building is our future, growth is our motto, and achieving the 2030 vision is our goal.

We look beyond the year 2030 with an ambitious plan that covers not only our country but our neighboring countries as well.

Gaining appropriate investment returns that allow the company to grow and expand its current activities and add new activities.

The company's objectives



Client: Focusing on serving the customer and achieving the highest benefit for him by providing high quality products at competitive prices and by providing a competent technical support.

Supplier: Creating a long-term business relationship between the company and the supplier based on trust and balance of interests.

Employee: Providing a safe and highly professional work environment that contributes to attracting and maintaining competencies.

Investors: Maintaining shareholder's rights and maximizing investment returns.

Environment: working within the highest environmental standards and developing work systems that contribute to reducing damage to the environment.

Company strategy



Constant pursuit of a position that places it among the leading companies in the Kingdom of Saudi Arabia.

strengthen the relationship with current customers by meeting their requests and maintaining the highest quality standards through the constant endeavor to develop products.

Increasing the production capacities of the company's products as well as adding new products.

Continuing to improve operational processes by rationalizing costs and raising operations efficiency.

Competitive aspects of the company (advantages)



- Always strive to reach a position that places it among the leading companies in the Kingdom of Saudi Arabia.
- Close the relationship with existing customers by meeting their requests while maintaining the highest standards
- Quality through the constant pursuit of product development.
- Increase the production capacities of the company's products and add new products.
- Continue to improve operational processes by rationalizing costs and increasing operational efficiency.

Activity of the company and its subsidiaries



The main activities of the company are to manage its subsidiaries or to participate in the management of the other companies in which it contributes and to provide the necessary support for them, and to own industrial property rights from patents, trademarks, industrial rights, franchises, and other moral rights and to exploit them and lease them to their subsidiaries or others.

Company Name	ILegal Entity	Main Activity	Incorporation Date	Capital	Company Ownership Percentage	State of incorporation and operations
Msandh Al-Emdad Limited Co.	Limited Liability	Providing logistical services and support the company's transportation sector.	11/03/2018	1,000,000	100%	KSA
Alian Industry Co.	Closed Joint-Stock	Production, manufacture, and sale of ready-mix concrete and precast panels.	6/08/2018	10,000,000	99 %	KSA

The company carries out its activities through its headquarters in Riyadh and its subsidiaries in the Kingdom of Saudi Arabia. The main activities of the subsidiaries are summarized in the following sectors:

The company's main activities

1

The sector of supplying, transporting, distributing, and selling cement and building raw materials

Transportation, distribution, and sale of cement and building raw materials (gravel and washed sand) to local markets in all regions of the Kingdom, the most important of which are the central and western region markets, through the company's fleet consisting of (24) vehicles, and this sector is managed by the Msandh Al-Emdad LTD Company Which is a Subsidiary and a wholly owned company by Al Kathiri Holding Company.

2

The sector of producing and selling ready-mix concrete

Production and sale of ready-mix concrete through the Al Kathiri Ready-Mix Concrete Factory, which allows a production capacity of 2,000 cubic meters per day of ready-mix concrete. In addition, this sector is managed by Alian Industry Company (a subsidiary company) which is wholly owned by Al Kathiri Holding Company.



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AL KATHIRI HOLDING COMPANY

4

ICT sector

The company recently entered the telecommunications sector through its subsidiary Msandh Al-Emdad LLC. to implement some ICT projects after obtaining the necessary licenses to carry out its activities.

5

3D concrete panels production sector.

Recently, the company entered the three-dimensional concrete panels production sector, where Alian Industry Company (a subsidiary company) wholly owned by Al Kathiri Holding Company obtained the approval of the 3D concrete panels production technology from the Ministry of Housing on 102019/03/ (corresponding to 071441/03/). Furthermore, in cooperation with Emmedue M2 (an Italian company), the company is currently in the process of establishing a factory for the production of 3D concrete panels on an industrial land with an area of 12,308 square meters, located in Sudair City for Industry and Business, and leased from the Saudi Organization for Industrial cities and Technology Zones (MODON).

3

Real estate development sector

The company recently entered the real estate development sector, as Msandh Al-Emdad Limited company (a subsidiary company), which is wholly owned by Al Kathiri Holding Company, passed the qualification criteria approved by the Wafi program of the Ministry of Housing, and sought to obtain the pass criteria in order to implement real estate projects by using to modern construction technology with 3D concrete panels, which will be produced by Allian Industry company.

Chapter Two

The Board of Directors and its Committees





1st: The Board of Directors

A) The company is managed by a Board of Directors composed of (four members) elected by the Ordinary General Assembly of the shareholders for a period not exceeding three years. The Company's Ordinary General Assembly agreed to re-elect the following members of the Board of Directors for the new session that started on 13/03/2020 and ends on 12/03/2023 from:

No.	Name	Position	Membership Classification		
			Executive	Non-Executive	Independent
1	Rayed Mohammed Nasser Alkathiri	Chairman		✓	
2	Meshal Muhammed Nasser Alkathiri	CEO and Managing Director	✓		
3	Adel Ibrahim Muhammed Alkathiri	Independent Member			✓
4	Saud Muhammed Abdullah Al-Shuraim	Independent Member			✓

B) Names of Board of Directors members, members of the committees, and their current and previous positions, qualifications, and experiences:

1-Board of Directors



Rayed Mohammed Nasser Alkathiri

Alkathiri Holding Company Chairman

Membership

Non-Executive

Previous Job

Commercial Director of Al Kathiri Holding Company

Qualification

Diploma in Computer from King Saud University

Experience

- Commercial Director of Al Kathiri Holding Company from 2015 until 2017.
- Working at the General Administration of Security Missions, Project Management and Development in the Ministry of Interior.
- Participation in the works of Najmat Al Khayal Company in public schools construction projects



Meshal Muhammed Nasser Alkathiri

CEO & Managing Director

Membership

Executive

Previous Job

General Manager of Alkathiri Holding Company

Qualification

Bachelor's degree in Marine Science

Experience

- General Manager of Al Kathiri Holding Company from 2014 until 2017
- promoted from the rank of a liaison officer to a platoon commander of the Fifth Battalion of the Eastern Fleet.
- Membership of the Board of Directors of Lynn Al-Khair Trading Company and Al-Mansa Agricultural Company and Chairman of the Nominations and Remuneration Committee of Lynn Al-Khair Trading Company



Adel Ibrahim Mohammed Alkathiri

Board Member

Membership

Independent

Previous Job

Director of the Planning and Support Department of the Saudi Telecom Company

Qualification

Bachelor's in management and Information Systems

Experience

- Executive Assistant and Regulatory Vice President for Corporate Affairs of STC
- Director of STC Organizational Knowledge Department
- Support and Worker Team Leader and Business Support System Manager for STC
- Supervisor of the Equity Loans Unit and credit analyst at Al-Rajhi Bank
- Associate administrator in the credit department of the Saudi American Bank



Saud Muhammed Abdullah Al-Shuraim

Board Member

Membership

Independent

Previous Job

CEO of ZKTeco

Qualification

Electricity Diploma

Experience

- Establishing ZKT company, in partnership with the Chinese company ZKTeco
- Establishing the Integrated Protection Company for Trade and Financial Systems, and the Al Shuraim Spare Parts Corporation
- Chairman of the Board of Directors of Lynn Al-Khair Trading Company and Al-Menasha Agricultural Company
- General Manager of Distinguished Food Company, Innovation Consortium Company, Waad Progress for Industry Company, and Masayef Company Ltd.

2-Audit Committee Members

Name	Membership	Current Job	Previous Job	Qualification
Maher Nitham Albargothi	Chairman	General Manager of Sorouh Financial Consulting.	Director of Corporate Consulting Sector – Dubai for Financial Consulting	Master of Accounting
Saud Muhammed Abdullah Al-Shuraim	Member	Board Member	CEO of ZKTeco.	Electricity Diploma
Ahmed Nasser Ahmed Al-Sayegh	Member	Director of the individual's sector in the Riyadh region at SNB.	Samba Financial Group Operations Manager	Bachelor's degree in Business Administration from King Abdulaziz University

3-Members of the Nomination, Remuneration Committee

Name	Membership	Current Job	Previous Job	Qualification
Saud Muhammed Abdullah Al-Shuraim	Chairman	Board Member	.CEO of ZKTeco	Electricity Diploma
Rayed Mohammed Nasser Alkathiri	Member	Alkathiri Holding Company Chairman	Commercial Director of Al Kathiri Holding Company	Diploma in Computer from King Saud University
Khaled Abdulmuhsen Abdulrahman Alkhayal	Member	1- Member of the Nomination and Remuneration Committee and Secretary of the Board of Directors, Al Kathiri Holding Company 2- Member of the Board of Directors of the Red Sea Cables Company 3- Member of the Board of Directors of Ayed Abdul Rahman Al-Ayed Contracting Company	Chairman of the Board of Directors of Al Wasil House Company	Master of Business Administration

C) Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current or previous boards of directors or of its managers.

Member Name	Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current or previous boards of directors or of its managers	Inside/Outside KSA	Legal Entity (Listed Shareholding / Unlisted Shareholding / Limited Liability /)	Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current or previous boards of directors or of its managers.	/Inside Outside KSA	Legal Entity (Listed Shareholding / Unlisted Shareholding / Limited Liability /)
Meshal Mohamed Nasser Alkathiri	Alkathiri Holding Company	Inside KSA	Listed joint-stock company			
	Leen Alkhair Trading Company	Inside KSA	Listed joint-stock company			
	Almanasah Agricultural Company	Inside KSA	Closed joint-stock company			
	Msandh Al-Emdad	Inside KSA	Limited liability Company			
	Alian Industry Company (One Person Company)	Inside KSA	Closed joint-stock company			
	Advance International Company for Communication and Information Technology	Inside KSA	Listed joint-stock company			
	Sukuk ALKathiri	Inside KSA	Special Purposes Entity			
Adel Ibrahim Mohammed Alkathiri	Alkathiri Holding Company	Inside KSA	Listed joint-stock company	Alian Industry Company	Inside KSA	Closed joint-stock company
	Sukuk ALKathiri	Inside KSA	Special Purposes Entity			
Saud Muhammed Abdullah Al-Shuraim	Alkathiri Holding Company	Inside KSA	Listed joint-stock company			
	Leen Alkhair Trading Company	Inside KSA	Closed joint-stock company			
	Almanasah Agricultural Company	Inside KSA	Closed joint-stock company			
	Advance International Company for Communication and Information Technology	Inside KSA	Limited liability Company			
	Sukuk ALKathiri	Inside KSA	Special Purposes Entity			

C) Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current or previous boards of directors or of its managers.

During the fiscal year, the Board of Directors Convened (4) meetings during 2022.

Board of Directors meetings during 2022

No.	Name	Number and date of meetings and attendance record				Total
		First meeting 30/03/2022	Second meeting 10/08/2022	Third meeting 24/10/2022	Fourth meeting 29/12/2022	
1	Rayed Mohammed Nasser Alkathiri	✓	✓	✓	✓	4
2	Meshal Muhammed Nasser Alkathiri	✓	✓	✓	✓	4
3	Adel Ibrahim Muhammed Alkathiri	✓	✓	✓	✓	4
4	Saud Muhammed Abdullah Al-Shuraim	✓	✓	✓	✓	4

E) A statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly

Meetings of the Board of Directors from the date of the last meeting of the General Assembly convened on 30/05/2022

No.	Name	Number and date of meetings and attendance record			Total
		First Meeting 10/08/2022	Second Meeting 24/10/2022	Third Meeting 29/12/2022	
1	Rayed Mohammed Nasser Alkathiri	✓	✓	✓	3
2	Meshal Muhammed Nasser Alkathiri	✓	✓	✓	3
3	Adel Ibrahim Muhammed Alkathiri	✓	✓	✓	3
4	Saud Muhammed Abdullah Al-Shuraim	✓	✓	✓	3

F) Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments about the company and its performance.

The board of directors did not receive any comments from the shareholders about the company and its performance, and the Board of Directors is always keen that most of its members, especially non-executives, attend the General Assembly meetings to listen to shareholders' questions and suggestions about the company and its performance, respond to them and document them in the minutes of the assemblies.

G) Where applicable, the means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external body that performed the evaluation and its relationship to the company if any.

The board of directors did not receive any comments from the shareholders about the company and its performance, and the Board of Directors is always keen that most of its members, especially non-executives, attend the General Assembly meetings to listen to shareholders' questions and suggestions about the company and its performance, respond to them and document them in the minutes of the assemblies.

2nd: Board committees

The company's Board of Directors is primarily responsible for the company's business and the supervision of the management of its affairs, and considering the terms of reference of the General Assembly, the Board of Directors has the broadest powers in managing the company. The sub-committees emanating from the Board of Directors are considered as appointed by the Board of Directors to carry out on behalf of the Board some specific tasks and to submit periodic reports of what it finds to the Board. The existence of committees emanating from the Board of Directors of a consultative nature with efficiency and effectiveness is a goal that the company's management seeks to achieve because of their positive impact. In order to reach decisions with absolute transparency, the Board of Directors forms an appropriate number of committees according to the company's needs and circumstances, and a sufficient number of non-executive board members must be appointed in the relevant committees. Therefore, the following committees were formed:

A-Audit Committee:

Table No. (1): Members of the Audit Committee.

Name	Position
Maher Nitham Albargothi	Chairman
Saud Muhammed Abdullah Al-Shuraim	Member
Ahmed Nasser Ahmed Al-Sayegh	Member

Duties and Responsibilities of the Audit Committee:

Study the preliminary financial statements, express a technical opinion on them, and recommend to the Board of Directors regarding them.

Study and review the internal control systems, internal audit reports, and the company's risk management, and recommend the appointment of the internal auditor.

Recommending the Board to appoint the external auditor, verifying his independence and objectivity, holding discussions, answering inquiries, and studying the report of the external auditor.

Verify the company's compliance with the laws, regulations, policies, and instructions of the regulatory authorities, and

The attendance record of the Audit Committee.

During the fiscal year 2022, the committee convened Five meetings for the period from 01-01-2021 to 31-12-2021, as shown in the following table:

Name	Membership Nature	Attendance Record					Total
		First Meeting 07/03/2022	Second Meeting 10/05/2022	Third Meeting 08/08/2022	First Meeting 24/10/2022	Fifth Meeting 24/12/2022	
Maher Nitham Albargothi	Chairman	✓	✓	✓	✓	✓	5
Saud Muhammed Abdullah Al-Shuraim	Member	✓	✓	✓	✓	✓	5
Ahmed Nasser Ahmed Al-Sayegh	Member	✓	✓	✓	✓	✓	5

B - Nominations, Remuneration Committee:

The Board of Directors of the company decided, in its meeting convened on 14/03/2020 (corresponding to 19/07/1441), to form the Nominations and Remuneration Committee and define its tasks, work controls, and remuneration for its members for the current session, which began on 13/03/2020 (corresponding to 18/07/1441). And for a period of three years ending with the end of the current session of the Board of Directors on 2023/03/12 (corresponding to 20/08/1444). The following are the members of the Nomination and Remuneration Committee:

Name	Position
Saud Muhammed Abdullah Al-Shuraim	Chairman
Rayed Mohammed Nasser Al Kathiri	Member
Khaled Abdulmuhsen Abdulrahman Alkhayal	Member

Duties and responsibilities of the Nomination, Remuneration Committee

Preparing a clear policy for the remuneration of members of the Board of Directors, the committees emanating from it and the executive management of the company and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly of the company, considering that standards related to performance are followed, disclosed, and their implementation verified.

Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired goals.

Recommending to the Board of Directors the remuneration of members of the Board of Directors and the committees emanating from it and the Senior Executives of the company in accordance with the approved policy.

Reviewing the basis for distributing annual bonuses determined by the Board of Directors and making recommendations to the Board of Directors in this respect.

Propose clear policies and standards for membership in the Board of Directors and executive management.

Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying Executive management positions.

Annual review of the necessary needs of skills or appropriate expertise for Board membership, and Executive management functions.

Attendance Record for the Nomination, Remuneration Committee:

The Nominations and Remuneration Committee convened (2) meetings during 2022, and the following table shows the formation of the Nomination, Remuneration Committee, including the name of the member and the nature of the membership, in addition to the number of times he attended the committee's meetings and the date of the meeting:

Name	Membership Nature	Attendance Record		Total
		First Meeting 24/02/2022	First Meeting 29/11/2022	
Saud Muhammed Abdullah Al-Shuraim	Chairman	✓	✓	2
Rayed Mohammed Nasser Al Kathiri	Member	✓	✓	2
Khaled Abdulmuhsen Abdulrahman Alkhayal	Member	✓	✓	2



3rd: Executive Management

The Executive Management is comprised of:

No.	Name	Membership	Current Job	Previous Job	Qualification
1	Meshal Muhammed Nasser Alkathiri	CEO	CEO & Managing Director	General Manager - Alkathiri Holding Company	Bachelor's degree in Marine Science
2	Basel Abdulsamee Yousef Aloud-Allah	CFO	CFO	Chief Accountant – Al Kathiri Holding Company	Bachelor's degree in Management Sciences -Accounting

Executive Management Functions:

Establishing a future vision to develop and increase the company's profits in order to achieve better revenue for shareholders.

Follow-up of the company's long, medium, and short-term strategic plans, updating them and reviewing them periodically.

Directing the sales and marketing work and discussing ways to activate it.

Approval of the estimated budgets, approval of the budgets of the consolidated branches, the operating costs, and the cash flow as a whole and submitting it to obtain the final approvals.

Supervising the implementation of approved policies and procedures in all company departments.

4th: Board members and Senior Executives own shares of the company.

1 - Members Ownership :

Member Name	Position	Remarks	Beginning of the year		End of the Year		Net Change	
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Mr. Rayed Mohammed Nasser Alkathiri	Chairman	Shares	15,035	% 0.1330	15,035	% 0.1330	0	0 %
Mr. Meshal Muhammed Nasser Alkathiri	CEO - Board Member	Shares	4,909,953	% 43.4424	4,909,953	% 43.4424	0	0 %

2- Ownership of Senior Executives, their wives, and minor children: -

Member Name	Position	Remarks	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Mr. Meshal Muhammed Nasser Alkathiri	CEO - Board Member	Shares	4,909,953	% 43.4424	4,909,953	% 43.4424	0	0 %

3-Ownership of Board Members relatives: -

Relative Name	Relative Relation	Remarks	Beginning of the year		End of the Year		Net Change	
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Ashwag Muhammed Nasser Alkathiri	Chairman's Sister	Shares	3,337	% 0.02953	3,337	% 0.02953	0	0 %
Hanan Muhammed Nasser Alkathiri	Chairman's Sister	Shares	3,022	% 0.0267	3,022	% 0.0267	0	0 %



5th: Disclosure of the remuneration of the Board of Directors members and the Executive Management in accordance with what is stipulated in Article 93 of the Corporate Governance Regulations.

1- On May 30, 2022, the Ordinary General Assembly approved the remuneration policy for members of the Board of Directors, the committees emanating from it, and the executive management.

2- The Nominations and Remunerations Committee, in accordance with the policy of remunerations for members of the Board of Directors and its committees, and the Executive Management of the Board of Directors, recommended remunerations and allowances for members of the Board and its affiliated committees as follows:

Name	Position	Certain Amount	Salaries	Allowances	Total member earnings	EOS Reward	Attendance Record in 2021
Rayed Mohammed Nasser Alkathiri	Board of Directors Chairman - Member of the Nomination and Remuneration Committee	65,000	0	12,000	77,000		Attended (4) Board of Directors meetings + (2) Nomination Committee meeting
Adel Ibrahim Muhammed Alkathiri	Vice Chairman of the Board of Directors - Member of the Board of Directors	40,000	0	8,000	48,000		Attended (4) Board of Directors meetings
Saud Muhammed Abdullah Al-Shuraim	Board Member - Chairman of the Nomination and Remuneration Committee	90,000	0	22,000	112,000		Attended (4) Board of Directors meetings + (2) Nomination Committee meeting + (5) Audit Committee meeting
Maher Nitham Albargothi	Audit Committee Chairman	25,000	0	10,000	35,000		Attended (5) audit committee meetings
Ahmed Nasser Al-Sayegh	Audit Committee Chairman	25,000	0	10,000	35,000		Attended (5) audit committee meetings
Khaled Abdulmuhsen Abdulrahman Alkhayal	Member of the Nomination and Remuneration Committee - Secretary of the Board of Directors	50,000	0	12,000	62,000		Attended (4) Board of Directors meetings + (2) Nomination Committee meeting
Meshal Muhammed Nasser Alkathiri	CEO - Member of the Board of Directors	40,000	360,000	8,000	408,000	185,305	Attended (4) Board of Directors meetings
		335,000	360,000	82,000	777,000	185,305	

3- Payments to Board Members, Committee Members and Senior Executives: -

A) Board remuneration policy

The company's system states the method of remuneration for members of the Board of Directors, and these rewards may be a specific salary, attendance allowance for sessions, benefits in kind, or a certain percentage of profits, and it can combine two or more of these benefits.

As the company approaches in determining this remuneration according to the volume of business and responsibilities that the member bears, in addition to these remunerations being within the limits of the company's basic system and not exceeding 500,000 Saudi Riyals for each member of the company.

- The granted bonuses have been implemented in accordance with this policy, and There is no material deviation from this policy

B) Details of the policies related to remuneration and the mechanisms for determining them and the financial and in-kind benefits amounts paid to each member of the Board of Directors for any business, executive, technical, administrative or advisory positions.

This has been clarified in the policy of remuneration for members of the Board of Directors, its committees, and the executive management.

C) A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any remuneration.

There is no arrangement or agreement by which a member of the Board of Directors waived any remuneration.

D) A statement of what Board members have received as workers or administrators, or what they have received in return for technical or administrative work or consultations.

No Statement.

E) What follows is a comprehensive statement of all that obtained by members of the Board of Directors, subordinate committees, and Senior Executives:
1) Board members 'remuneration

Member Name	Fixed Rewards							Variable Rewards							Grand Total	Expenses Allowance
	A Certain Amount	Allowance to attend sessions	Total allowance for attending committee sessions	Benefits in Kind	A statement of what Board members have received as workers or administrators, or what they have received in return for technical or administrative work or consultations	Remunerat ion for the Board Chairman the Managing Director or the Secretary, if he is a member	Total	Profit Percentage	Periodic Bonuses	Short-term incentive plans	Long-term incentive plans	Granted Shares	Total	EOS Reward		
First: Independent Members																
Adel Ibrahim Muhammed Alkathiri	40,000	8,000	0	0	0	0	48,000	0	0	0	0	0	0	0	48,000	0
Saud Muhammed Abdullah Al-Shuraim	40,000	8,000	14,000	0	0	0	62,000	0	0	0	0	0	0	0	62,000	0
Total	80,000	16,000	14,000	0	0	0	110,000	0	0	0	0	0	0	0	110,000	0
Second: Non-executive members																
Rayed Mohammed Nasser Alkathiri	40,000	8,000	4,000	0	0	0	52,000	0	0	0	0	0	0	0	52,000	0
Total	40,000	8,000	4,000	0	0	0	52,000	0	0	0	0	0	0	0	52,000	0
Third: Executive members																
Meshal Muhammed Nasser Alkathiri	40,000	8,000	0	0	0	0	48,000	0	0	0	0	0	0	155,301	203,301	0
Total	40,000	8,000	0	0	0	0	48,000	0	0	0	0	0	0	155,301	203,301	0

2) Senior Executive Remuneration:

Senior Executive Positions	Fixed Rewards				Variable Rewards						EOS Reward	Total executive remuneration for the Board, if any	Grand Total
	Salaries	Allowances	Benefits in Kind	Total	Profit Percentage	Periodic Bonuses	Short-term incentive plans	Long-term incentive plans	Granted Shares	Total			
CEO	360,000	0	0	0	0	0	0	0	0	360,000	185,305	48,000	593,305
CFO	180,000	0	0	0	15,000	0	0	0	0	195,000	39,267	0	234,267
Total	540,000	0	0	0	15,000	0	0	0	0	555,000	186,185	48,000	827,572

3) Remuneration of members of committees

A) Members of the Audit Committee

Member name	Fixed remuneration (except for fees for attending meetings)	fees for attending meetings	Total
Maher Nitham Albargothi	25,000	10,000	35,000
Ahmed Nasser Al-Sayegh	25,000	10,000	35,000
Saud Muhammed Abdullah Al-Shuraim	25,000	10,000	35,000
Total	75,000	30,000	105,000

B) Members of the Nomination and Remuneration Committee

Member name	Fixed remuneration (except for fees for attending meetings)	fees for attending meetings	Total
Saud Muhammed Abdullah Al-Shuraim	25,000	4,000	29,000
Rayed Mohammed Nasser Alkathiri	25,000	4,000	29,000
Khaled Abdulmuhsen Abdulrahman Alkhayal	25,000	4,000	29,000
Total	75,000	12,000	87,000



6th: A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them.

During 2022, the company convened One Ordinary General Assembly meeting. The following are the dates of these assemblies and the attendance record:

Name	Attendance record	
	First meeting 30/05/2022	Total
Rayed Mohammed Nasser Alkathiri	✓	1
Meshal Muhammed Nasser Alkathiri	✓	1
Adel Ibrahim Muhammed Alkathiri	✓	1
Saud Muhammed Abdullah Al-Shuraim	✓	1



7th: Numbers of company's requests of shareholders records, dates and reasons thereof

Shareholders records

Sequence	Request date	Date of the equity ownership files	Request reasons
1	05-01-2022	31-12-2021	Company's Procedures
2	25-05-2022	30-05-2022	General assembly
3	27-07-2022	26-07-2022	Company's Procedures
4	27-07-2022	26-07-2022	Others
5	14-12-2022	13-12-2022	Others



8th: The Board of Directors declarations:

The Board of Directors acknowledges the following:

- Account records are properly prepared.
- the internal control system is sound in design and has been effectively implemented.
- There are no significant doubts concerning the company's ability to continue its activity.



9th: The recommendations of the Audit Committee, which conflict with the decisions of the Board of Directors, or which the Board refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance or appointing the internal auditor, justifications for those recommendations, and the reasons for not taking them into consideration.

There are no disagreements between the Audit Committee recommendations and the Board resolutions; or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor.



10th: The Board of Directors Confirmations:

The Board of Directors hereby confirms the following:

- The company is always endeavoring to fulfil and implement the regulatory requirements stipulated in the Corporate Governance Regulations, including policies and procedures related to disclosure and transparency.
 - The company did not receive any request from the legal auditor to convene the general assembly during the ended financial year.
 - The Chairman of the Board of Directors did not receive any written request to hold emergency meetings from two or more members during the ended financial year.
 - The company did not receive a request from shareholders who own 5% of the capital or more to convene the general assembly during the ended fiscal year.
 - Shareholders owning 5% or more of the company's shares did not request to add one or more topics to the general assembly's agenda when preparing it.
 - The Board of Directors did not absolve any of the company's debtors from their liabilities towards the company during the year 2022.
 - No procedures or restrictions that may impede the shareholder's use of his rights guaranteed by the regulations including his right to vote have been put in place.
 - The financial position and the company's business results confirm the company's ability to continue its activity.
 - There are no constraints that may affect the company's ability to prepare its financial statements in accordance with international standards.
 - The company did not grant any cash loan of any kind to members of the board of directors, nor did it guarantee any loan given by one of them to another.
 - The company does not have preference or priority shares related to voting (whether for the shareholders, members of the board of directors, or its employees).
- All the company's shares are common shares all of which are of equal nominal value, equal voting rights and other rights according to the system.
- The auditor did not provide any services of an advisory nature to the company and did not receive any fees in this regard during the financial year 2022.

Chapter Three

Planning and performance





1st: A description of the main scope of business of the company and its affiliates. If there are two or more, a statement showing each activity and how it affects the company businesses and results shall be attached.

The primary activities of the company are managing its affiliates or engaging in managing other companies in which it is a shareholder, providing the necessary support to these companies; owning industrial property rights including patents, trademarks, franchising, and other intangible rights to be used and leased to its affiliates or others.

The primary activities of the company are managing its affiliates or engaging in managing other companies in which it is a shareholder, providing the necessary support to these companies; owning industrial property rights including patents, trademarks, franchising, and other intangible rights to be used and leased to its affiliates or others.

These primary activities are:

1) Supplying, Transportation, Distribution and selling of Cement

This sector deals with the sale, transport, distribution of cement and basic construction material (gravel and various sand types) for local markets in all regions of Saudi, with a core focus on markets in both central and western regions. As the company has its own transportation fleet that works on the transport and distribution of cement. The sector is run by Msandh Al-Emdad LLC: an affiliate wholly owned by Al Kathiri Holding Company.

2) Production & Sale of Ready-mix Concrete

This sector is responsible for the production and sale of ready-made concrete through Al Kathiri Holding Concrete plant. The sector is run by Alian Industry Co: an affiliate owned by Al Kathiri Holding company by 99%.

3) Production of Three-dimensional concrete panels

Since Alian Industry Co has obtained The Ministry of Housing approval for the 3D concrete panels production technology

4) Real Estate Development

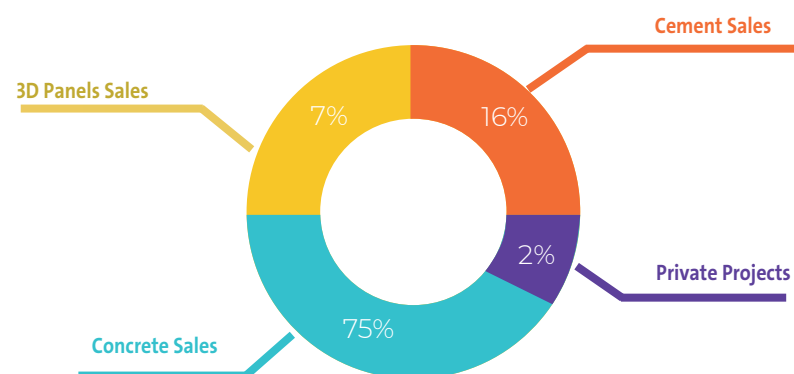
Msandh Al-Emdad LLC has passed the qualification criteria approved by the Wafi program: one of the Ministry of Housing programs.



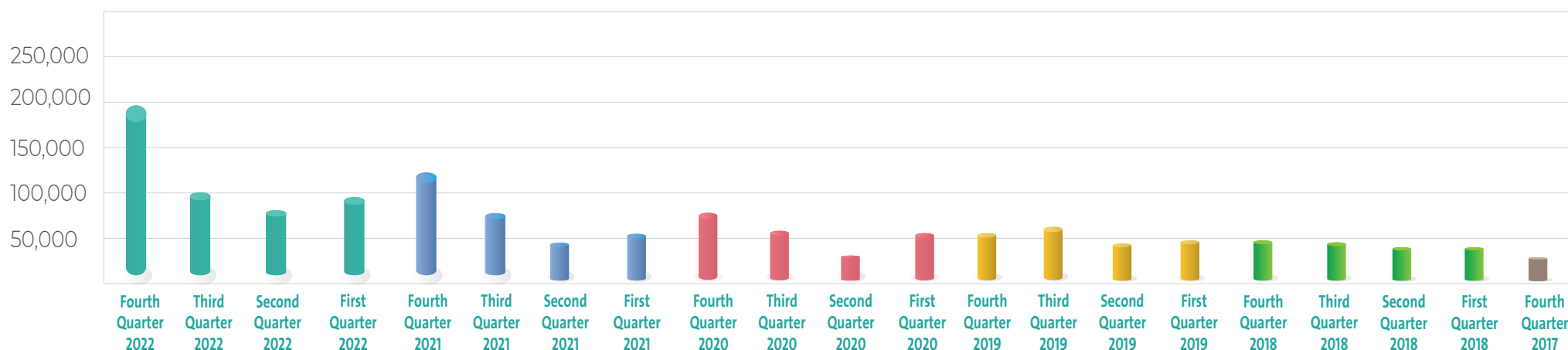
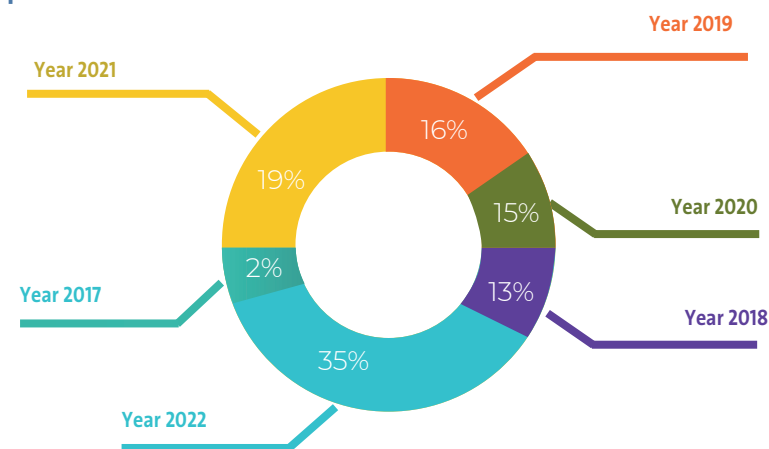
The company's revenues generated by the primary activities during the year 2022

Description	Cement Sales	Concrete Sales	Private Projects	3D Panels Sales	Total
الاجمالي	20,058,221	97,467,672	2,205,625	9,640,192	129,371,710

A) The company's revenues generated by the primary activities during the year 2022



B) Production Capacity of the ready-mix concrete plant since the operation



Production development of prefabricated concrete plant since operation



2nd: A description of the company's significant plans and decisions (including changes to the structure, expanding the company's operations, or halting them) and the future expectations.

- Establishment of 3 stations for the production of ready-mixed concrete at the Narjis View project site in the Al-Jawan suburb
- Sukuk Issuance (The Board of Directors of Al Kathiri Holding Company on 4/10/2021 approved the issuance of a local Sharia-compliant Sukuk program with a value of 500 million Saudi riyals, for the company's general commercial purposes and to meet its financial and strategic objectives)
- The Capital Market Authority approved the request of the special-purpose entity, Sukuk Al Kathiri, established under License No. (SPE00034) and dated 05/12/1443 AH corresponding to 16/12/2021 AD, by Al Kathiri Holding Company ("The Sponsor"), to register and offer debt instruments based on debt years as part of an issuance program for those instruments with a value not exceeding 500 million riyals, where the issuance data is as follows:

Offer Type	Series One of the Sukuk Issuance Programme denominated in Saudi Riyal offered by way of a public offering
Value of the offer	The issuance amount has been set with a value of SAR 100,000,000
Offering start Date	12-03-2023 Corresponding to 20-08-1444
Offering end Date	23-03-2023 Corresponding to 01-09-1444
The targeted class of the issuance	The Sukuk will be offered to eligible natural and legal persons in the Kingdom of Saudi Arabia and any other relevant jurisdiction where the Sukuk may be lawfully offered.
Name of Issuance Manager	Al Kathiri Holding Company has appointed AlKhair Capital Saudi Arabia as the financial advisor and arranger in relation to the offering and issuance of the Sukuk.
Minimum Subscription	Five Sukuk with a nominal value of SAR 5,000. For further details, please refer to the base prospectus prepared in relation to the Sukuk.
Offer Price (Sukuk /Bonds)	SAR 1,000 per Sak.
Par Value	SAR 1,000 per Sak.
Return (Sukuk /Bonds)	8.50% per annum, fixed rate paid semi-annual
Maturity (Sukuk /Bonds)	Five (5) Years from the Settlement Date
Terms of Redemption	The Sukuk will be redeemed at the maturity date of the Series One Sukuk

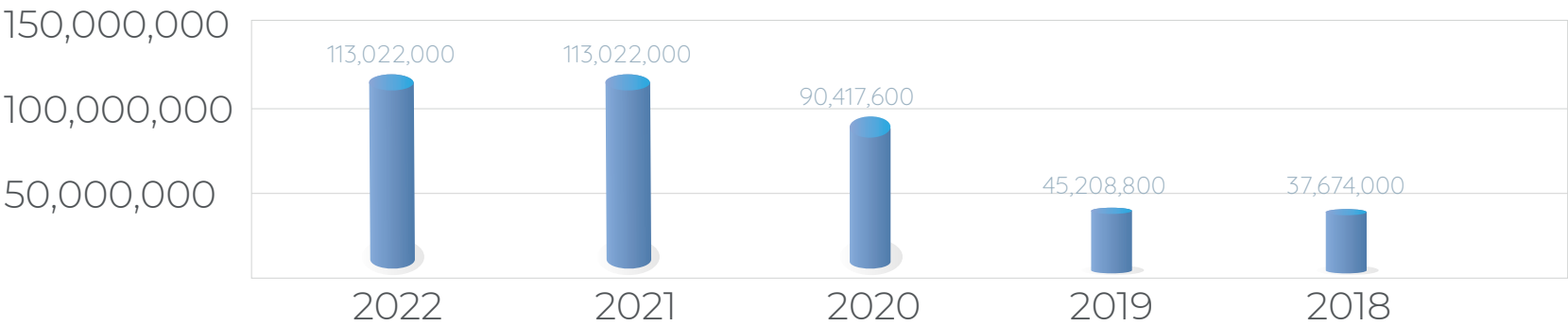


3rd: Financial performance

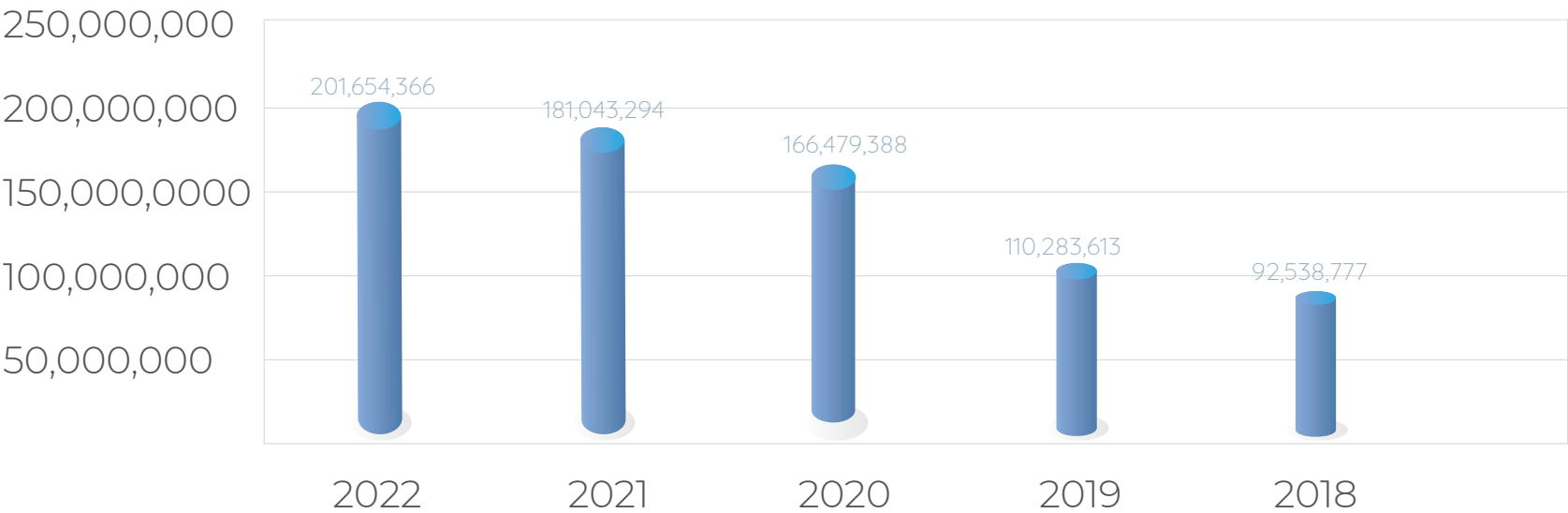
By reviewing the company's financial statements for the year ended 31/12/2021 which were audited and refined by “Al Kharashi & Co. Certified Accountants and Auditors”, we have the following:

1-the company's assets and liabilities during the last five years

Statement	2022	2021	2020	2019	2018
Current assets	42,947,100	29,628,516	76,288,110	57,446,038	41,701,727
Current liabilities	38,950,016	41,389,284	35,604,496	34,244,475	22,805,616
Working capital	3,997,084	11,760,768-	40,683,614	23,201,563	18,896,111
Working capital	158,942,458	151,587,776	90,191,278	52,837,575	50,837,050
Total assets	201,889,558	181,216,292	166,479,388	110,283,613	92,538,777
Other liabilities – non-current	27,489,543	5,891,790	5,374,650	4,842,228	14,552,226
Total liabilities	66,439,559	47,281,074	40,979,146	39,086,703	37,357,842
Paid-in capital	113,022,000	113,022,000	90,417,600	45,208,800	37,674,000
Reserves and retained earnings	14,633,724	13,181,137	27,271,721	18,177,189	9,696,014
Stockholders' equity (no minority rights)	135,214,807	133,762,220	125,500,242	71,196,910	55,180,935
Total liabilities and stockholders' equity	201,654,366	181,043,294	166,479,388	110,283,613	92,538,777
Minority Rights	235,192	172,998	0	0	0



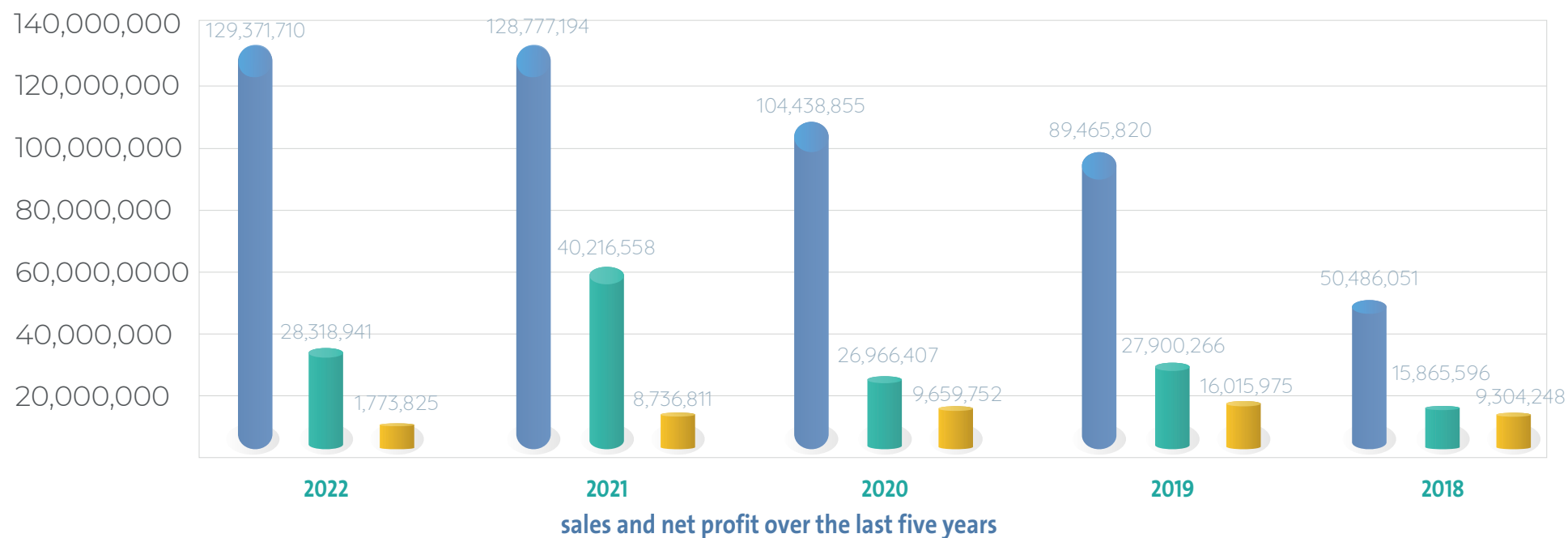
Capital Development



Stakeholders Equity

2- business results during the last 5 years

statement	2022	2021	2020	2019	2018
sales	129,371,710	128,777,194	104,438,855	89,465,820	50,486,051
Cost of sales	101,052,769	88,560,636	77,472,448	61,565,554	34,620,455
Gross profit of the business	28,318,941	40,216,558	26,966,407	27,900,266	15,865,596
Finance expenses, general and administrative expenses, and selling and marketing expenses	25,912,052	30,976,569	16,608,138	10,051,032	6,626,583
Other income	144,927	465,766	127,233	1,372,886-	307,592
Zakat and income tax	777,991	968,944	825,750	460,373	242,357
Net profit (no minority rights)	1,773,825	8,736,811	9,659,752	16,015,975	9,304,248



3-Operational results of the year 2022 compared to the year 2021.

statement	2022	2021	التغير
Revenue	129,371,710	128,777,194	594,516
Cost of revenue	-101,052,769	-88,560,636	12,492,133
Gross profit	28,318,941	40,216,558	-11,897,617
Selling and Marketing expenses	-2,740,133	-2,179,989	-560,144
General and administrative expenses	-11,649,464	-18,252,317	6,602,853
Depreciation fixed Assets	-11,522,455	-8,086,149	-3,436,306
Net Profit From main operations	2,406,889	11,698,103	-9,291,214
Capital Losses	-500,000	0	-500,000
Provision expired	3,781,306	0	3,781,306
Finance cost	-3,327,234	-2,358,114	-969,120
Other Revenue	-3,327,234	365,766	-174,911
Net Profit before Zakat	2,551,816	9,705,755	-7,153,939
Actuarial revaluation of employee benefits	-777,991	-968,944	190,953
Total other comprehensive income	1,773,825	8,736,811	-6,962,986
Weighted average number of shares	-259,044	-149,997	-109,047
Net profit attributable from main operations	1,514,781	8,586,814	-7,072,033
Net profit attributable to company shareholders	11,302,200	11,302,200	0
Total comprehensive income attributable to company	0.21	1.04	-0.82
Earnings per share of net profit	0.16	0.77	-0.62
Earnings per share of total income	0.13	0.76	-0.63



4th: A statement of the value of the regular payments paid and due to pay for zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, with a brief description of them and their reasons.

Statement	2022		Brief Description	Reason
	Paid Amount	Due until the end of the annual financial period and has not been paid		
Zakat	968,944	777,991	Regular payments made and due in compliance with the provisions and rules of Zakat obligation and the instructions of the General Authority of Zakat and Tax in the Kingdom of Saudi Arabia	Regulatory Requirement
VAT	2,879,353	54,321	The company is subject to the value-added tax system issued under Cabinet Resolution No. 654 dated 011438/11/ AH, whereby the company prepares monthly returns since the beginning of the year 2018, and pays them monthly during the statutory period on the basis of the due from the previous month	Regulatory Requirement
General Organization for Social Insurance	542,033	107,377.05	Regular payments made and due in compliance with the provisions and rules of the General Organization for Social Insurance in the Kingdom of Saudi Arabia	Regulatory Requirement
Costs of visas, passports, and residencies	1,469,570	0	Regular payments made and due in accordance with the provisions and rules of the Ministry of Interior and the Ministry of Labor	Regulatory Requirement



5th: Provision for Legal Zakat

-The company allocated an amount of (777,991) Riyals for Islamic Zakat for the zakat due for the year 2022.

-In 2020, the Zakat, Tax, and Customs Authority approved the company's request to provide unified accounts for the company and its subsidiaries starting from 2020, provided that an independent information declaration is submitted for each subsidiary separately.

-In 2021, additional zakat assessments were received for 2019 and 2020 in the amount of 654,080 and 583,622 riyals, respectively, and the company paid the amounts.

- The company obtained a final Zakat certificate for the financial statements for the fiscal year 2021.



6th: A Description of the value of any investments or reserves established for the benefit of the company's employees

The company has allocated an amount of 2,369,139 riyals as a provision for leaving the service bonus, and the company has not set aside any investments or other reserves for its employees.



7th: Details of the company's social contributions, if any

There is none



8th: Details of shares and debt instruments issued for each subsidiary.

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



9th: loans and bank facilities:

- The company entered into credit facility agreements compatible with the provisions of Islamic Sharia with local banks that include a checking account facility, a short-term loan, financing participation, and Murabaha contracts, documentary credit facilities and letters of guarantee, in order to finance the purchase of raw materials during the period at variable Islamic Murabaha rates agreed with the bank.
- The company signed a loan agreement from the Industrial Development Fund on 02/10/2019 for an amount of 23,200,000 riyals, deducting 1,160,000 riyals in return for guaranteeing the order and mortgaging all the factory assets in favor of the fund. In 12 installments, starting from 16/05/2022 and ending on 16/09/2027.

The following is a detailed statement of the loans and credit facilities that have been signed:

A	Creditor Name	Amount or limits (facilities - loans)	Facilities Duration - Loan	Used Amounts	The amounts paid in repayment of the loan during the year	Loan Remaining Amount	Total indebtedness of the company and its subsidiaries
A - Short-term credit facilities							
1	Riyadh Bank	4,521,000	Facilities to be paid every 6 months	4,385,198	5,045,215	1,000,000	1,79,983
2	SNB – Saudi National Bank	5,000,000	Facilities to be paid every 6 months	10,343,124	10,140,663	-	5,210,274
3	Arab National Bank - ANB	7,000,000	Facilities to be paid every 6 months	11,915,138	9,642,124	-	6,972,036
4	Riyadh Bank – Alian Industry Company	6,000,000	Facilities to be paid every 6 months	4,723,101	18,401,787	3,915,000	2,085,000
B- Long-Term Loans							
1	Saudi Industrial Development Fund	23,200,000	Installments to be paid within 7 years	23,200,000	1,000,000	-	22,200,000



10th: Human Resources

The importance of human resources is reflected by being the most important elements of the production process, which requires the search for good competencies capable of outstanding performance and giving, and therefore the human resources department has been concerned with raising efficiency, effectiveness and stability, as well as achieving loyalty and belonging to the company's employees through available job opportunities and creating appropriate climatic conditions and work environment in addition to justice in terms of wages, administrative transactions, provision of social and health services and care, the following are data of the company's employees and its subsidiaries.

Name of The Company	Nitaqat Category	Saudization Percentage	عدد الموظفين
Al Kathiri Holding Company	Platinum	63.64 %	11
Msandh Al-Emdad Limited Company	High Green	28.98%	93
Alian Industry Company	Medium Green	26.32%	228
Total number of employees including its subsidiaries			332

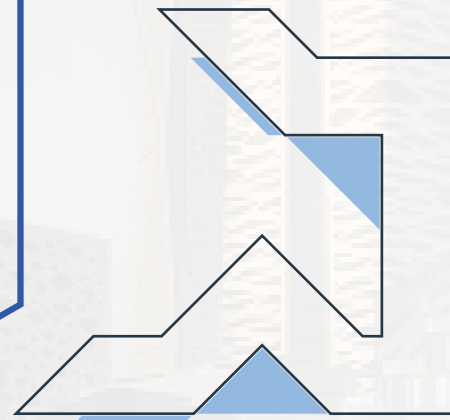


11th: Information Technology

Al Kathiri Holding Company always strives to implement all that modern science has achieved in recognition of the extent of responsibility, so the company replaced the accounting system used by it with an ERP system, and the importance of this project in organizing the company's transactions and reducing the cost by using appropriate computer programs - the company is also working on updating and developing its website by adding company news and facilitating the process of uploading CVs for applicants.

Chapter Four

Governance





1st: Governance Regulations

The company has set written policies approved by the Board of Directors and the General Assembly of shareholders that ensure compliance with sound corporate governance rules and practices and include the company's readiness for development and targeted growth.

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

Article Number - Paragraph	Article Text/Paragraph	Non-Application Reason
39	Training of Board Members	Guiding Provision
41	evaluation	Guiding Provision
70	Formation of Risk Management Committee	Guiding Provision
71	Risk Management Committee Competencies	Guiding Provision
72	Risk Management Committee Meetings	Guiding Provision
85	Motivate employees	Guiding Provision
87	Social Responsibility	Guiding Provision
88	Social work initiatives	Guiding Provision
95	Corporate Governance Committee Formation	Guiding Provision



2nd: Risk Management

The company is exposed to the following risks as a result of its use of financial instruments.

Credit risk:

Credit risk is the inability of one party to fulfill its obligations which results in the other party incurring a financial loss. The company seeks to manage credit risk with respect to customers by settling credit limits for individual customers, obtaining bank guarantees from selected clients, monitoring outstanding receivables, and ensuring close follow-up of those receivables.

Special commission risk:

Special commission rate risk relates to risks arising from the fluctuation of the value of a financial instrument as a result of changes in commission rates prevailing in the market. The company is subject to special commission rate risk regarding its special commission-related assets, such as Murabaha deposits and credit facilities.

Liquidity risk:

Liquidity risk means that the company may encounter difficulties in raising funds to meet obligations associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The company manages liquidity risk by ensuring that bank facilities are available. The company's terms of sales require payments to be made within 30 to 60 days from the date of the sale. Accounts payable are paid within 30 to 60 days from the date of purchase.

Currency risk:

Currency risk is the result of fluctuation in the value of financial instruments due to changes in foreign exchange rates. The company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not undertake any significant transactions in currencies other than the Saudi Riyal, the US Dollar, and the Euro during the period.



3rd: Any penalty, sanction, precautionary measure, or precautionary restriction imposed on the company by the authority or from any supervisory, regulatory or judicial authority, with an explanation of the causes of the violation, the authority which imposed the decision, and the means of remedying it and avoiding its occurrence in the future.

No penalty, sanction, precautionary measure, or precautionary restriction was imposed on the company by the Authority or from any other supervisory, regulatory or judicial authority during the year 2022.



4th: The results of the annual review of the effectiveness and procedures of the company's internal control system, in addition to the audit committee's opinion on the adequacy of the company's internal control system.

The effectiveness of internal control procedures was reviewed by the Audit Committee and by the Board of Directors, to verify their adequacy and efficiency in protecting the company's assets, evaluating business risks and measuring the efficiency of performance. The internal audit processes did not show a fundamental weakness in the company's internal control system.

The Audit Committee conclude that the internal control procedures applied in the company during the fiscal year 2021 are highly effective and efficient, and in light of the work carried out by the committee, which does not have any fundamental observations or deficiencies in the internal control procedures that require any kind of alert or disclosure.



5th: 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.



6th: A description of any interest in the voting-eligible shares category belonging to persons (other than the members of the company's board of directors, senior Executives, and their relatives) who informed the company of those rights under Article forty-five of the Registration and Listing Rules, and any change in those rights during the last fiscal year.

There is no interest in the voting-eligible shares category belonging to persons other than members of the Board of Directors and senior executives with those rights or any change in those rights during the last fiscal year.



7th: A description of the categories and numbers 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 compensation obtained by the company for that.

Not Available.



8th: A description of any transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

Not Available.



9th: A description of any interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its

Not Available.



10th: A description of any refund, purchase or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those

Not Available.



11th: A description of any transaction between the company and a related party.

Not Available.



12th: Information related to any business or contracts in which the company is a party, and in which or in which there was an interest for a member of the company's board of directors or for its senior executives or for any person related to any of them, including the names of those involved in business or contracts, the nature of these business or contracts and their terms and conditions. - If there are no such works or contracts, the company must submit a declaration of this, and its duration and amount.

Contracting Party Company	Related Parties	Transaction Nature	Amounts due to related parties (in Saudi riyals)
Alian Industry Company	Mr. Meshal Al Kathiri and Mr. Adel Al Kathiri are members of the Board of Directors of the two companies (Al Kathiri Holding and Alian Industry).	Mutual transactions, Distributing dividends	21,515,194
Msandh Al-Emdad LLC	A subsidiary of the parent company " (Al Kathiri Holding Company)	Procurement and mutual transactions	16,595,466



Thirteenth: Recommendation of the Audit Committee concerning the need to appoint an internal auditor.

Not applicable: The company has appointed an internal audit department

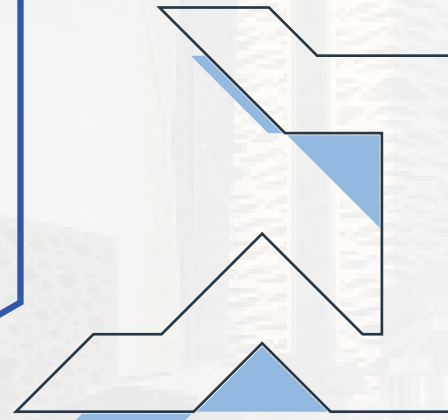


Fourteenth: Company announcements on the Tadawul website during the year 2022 (Company symbol 3008)

NO.	Announcement date	Announcement details
1	07-03-2022	Al Kathiri Holding Co. announces its Annual Financial Results for the Period Ending on 31-12-2021
2	30-03-2022	Al Kathiri Holding Company announces that it has convened an earnings call meeting to discuss the annual financial results for the fiscal year 2021 with the presence of financial analysts and representatives of investment entities
3	26-04-2022	Al Kathiri Holding Co. announces to Invites its Shareholders to Attend the (First Meeting) Ordinary General Assembly Meeting
4	28-04-2022	Corrective announcement from Al Kathiri Holding Co. regarding its announcement of inviting its shareholders to attend the Ordinary General Assembly Meeting (first meeting)
5	15-05-2022	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 31-03-2022 (Three Months)
6	31-05-2022	Al Kathiri Holding Co. Announces the Results of the Ordinary General Assembly Meeting, (Second Meeting)
7	16-08-2022	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 30-06-2022 (Six Months)
8	25-10-2022	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 30-09-2022 (Nine Months)
9	30-11-2022	Al Kathiri Holding Co. Announces Calling Candidature for Board Members Elections

Chapter Five

Profit Distribution and The Board of Directors Recommendations





1st: profit distribution policy

In accordance with the provisions of the Company's Articles of Association (Article 47), the company's annual net profit distribution policy shall be as follows:

- 1 Sparing (10%) of the net profit to form the statutory reserve of the company. The Ordinary General Assembly may decide to discontinue such reserve when the said reserve reaches (30%) of the paid-up share capital.
- 2 The Ordinary General Assembly may, upon the proposal of the Board of Directors, spare (5%) of the annual profits to form a statutory reserve for a purpose or purposes determined by the General Assembly.
- 3 The Ordinary General Assembly may decide to form additional reserves, to serve the interest of the Company, or to ensure the distribution of fixed profits as much as possible to the shareholders. The Assembly may also to deduct from the net profits amounts to establish social institutions for the company's employees or to help the existing ones.
- 4 The remainder shall be distributed to shareholders at the rate of 5% of the paid-up capital of the Company.
- 5 Subject to the provisions of article (22) of this Statute and Article (76) of the Companies Law, (10%) per cent of the remainder shall be allocated to the Board of Directors, provided that the remuneration is commensurate with the number of meetings attended by the Member.



2nd: profit entitlement

The Owner will be entitled to its share of the profits in accordance with the decision issued in this regard. The decision will indicate the entitlement and distribution dates. Profits are limited to shareholders recorded in the company's shareholders register at the end of the day specified for the entitlement.



3rd: Profit Distribution of the year 2023

No arrangements were made regarding dividends during 2023.



4th: A description of any arrangement or agreement under which a shareholder of the company has waived any rights to dividends.

No arrangement or agreement under which a shareholder of the company has waived any rights to dividends.



5th: Profit distribution for the financial year ended 31-12-2022

No dividends were distributed during the year 2022



6th: The Board of Director's recommendations to the General Assembly

In accordance with the provisions of the Company's Articles of Association (Article 32), the Board of Directors, after reviewing the company's achievements during the year ended 31-12-2022, as well as the financial statements, proposes the following:

1

Voting on the auditor's report for the financial year ended 31-12-2022.

2

Voting on the company's financial statements for the financial year ended 31-12-2022 .

3

Voting on the Board of Directors' report for the fiscal year ended 31-12-2022 .

4

Voting on the appointment of the company's auditor among candidates based on the recommendation of the audit committee, to review and audit the financial statements for the second, third, and annual quarters of the current year 2023 and the first quarter of the year 2024 and determine their fees.

Chapter Six

The chartered accountant's
report and the financial
statements and
supplementary information
for the year 2022





1st: Auditors' report and financial statements

Auditors' report shows that the financial statements are free of material misstatements, and any reservations toward it. No recommendation was issued by the Board of Directors to replace the chartered accountant certified by the company's General Assembly.



2nd: Any inconsistency with the standards approved by the Saudi Organization for Certified Public Accountant

The company's records have been properly prepared according to the accounting standards issued by the Saudi Organization for Certified Public Accountants, and there are no differences from the applied accounting standards issued by the Saudi Organization for Certified Public Accountants that require disclosure.



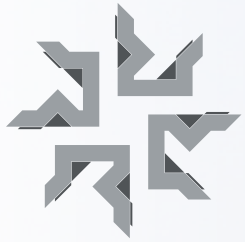
3rd: If the auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information.

The auditor's report on annual financial statements for the fiscal year 2022 contains no reservations or substantive remarks.



4th: If the Board recommended replacing the auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation.

The Board of Directors did not recommend replacing the auditor before the end of its term.



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AI KATHIRI HOLDING COMPANY

Closing Address

The Board of Directors extends its sincere thanks and gratitude to the executive management and all employees of the company for their efforts, and it appreciates the shareholders' contributions to the company and looks forward to more achievements in the upcoming years.

