



# Board of Directors Report

Al Kathiri Holding Company

On the performance and activities of the company  
FY Year 2023

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More than 15 years of authenticity and quality since Al Kathiri Holding was established in 2008 in Riyadh. Al Kathiri Holding has adopted a structured mechanism that contributed to the creation of new and promising sectors aimed at increasing investment volume. These sectors include: construction materials, industry, logistics services, real estate development, general contracting, and modern and innovative technologies. Qualitative and significant stages have contributed to the transformation of Al Kathiri Holding into a publicly listed joint stock company on the Saudi stock market Tadawul, under the trading symbol (3008).

## Chairman's Statement



“  
**We work diligently to achieve the company's objectives and implement its plans and strategies in real-time.**”

► 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, 2023, 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 2023.

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 2024 and that we are ready to respond to any inquiries about the information included in this report.

**May Allah Almighty help us.**

## CEO's Statement



“  
**Our vision surpasses the clouds, and our primary goal is to effectively contribute to the success of the nation's vision for 2030.**”

► The year 2023 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.

We successfully issued the first tranche of the Sukuk issuance program worth 100 million Saudi Riyals for use in general corporate purposes and to meet our financial and strategic objectives as detailed in the Sukuk issuance prospectus. Additionally, we distributed the first semi-annual returns of the mentioned Sukuk during the year.

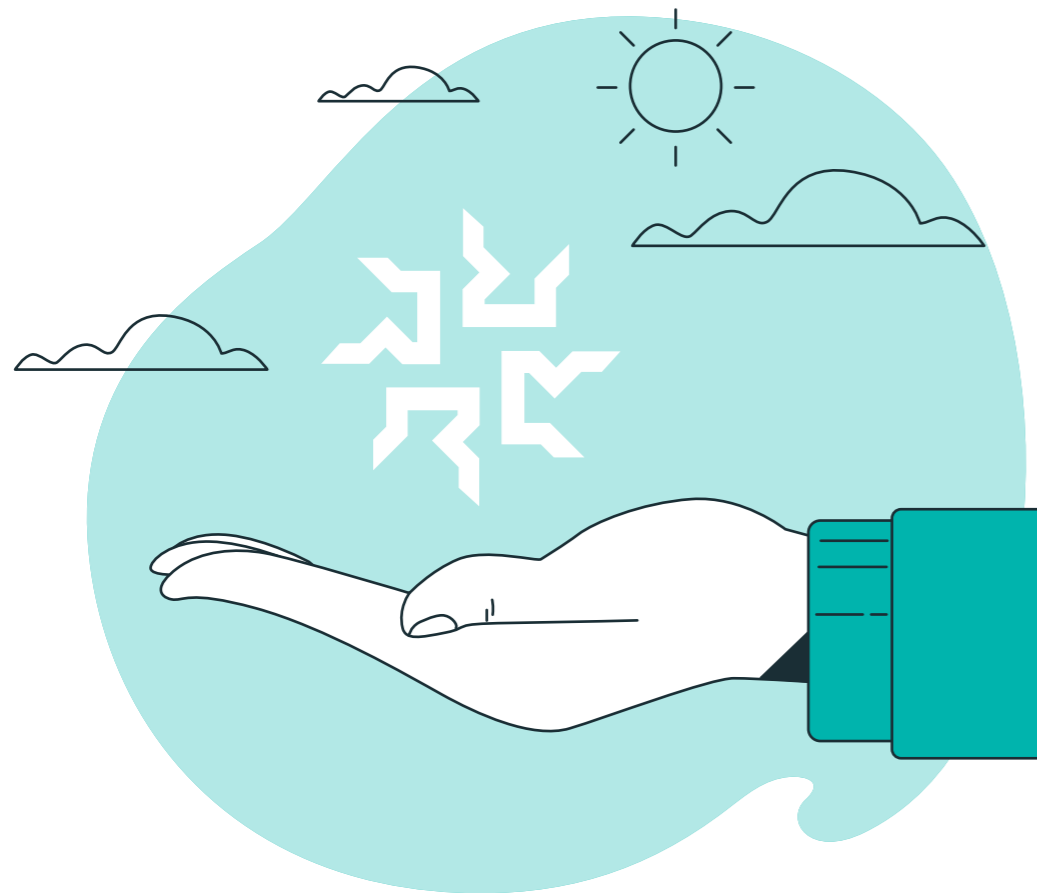
Overall, our profitability margins improved by the end of the year with the company's ability to reduce production costs during the year compared to the previous year, this has resulted in an overall profit increase for the current year by 51% compared to the previous year.

By the end of the year, we announced the establishment of the Luxury Yacht Manufacturing Company to manufacture and build luxury yachts and boats, believing in investing in new areas that would bring about a qualitative leap in our business portfolio and investments.

Furthermore, the company continued to develop its subsidiaries' departments to raise Saudization levels and employee satisfaction, emphasizing its investment in human capital and the importance of developing national competencies.

In conclusion, I extend my thanks to the Board of Directors for their follow-up and support of the company's objectives. I also express my gratitude to all company employees for their efforts in achieving the aspirations of the shareholders and continuing the company's success in its endeavors.

**We ask the Almighty for guidance and success.**



# Chapter One Who We Are

## 1st: About the Company

Al-Kathiri Holding is a joint-stock company operating in the basic materials sector. Its main activities include managing its subsidiary companies or participating in the management of other companies in which it has investments, providing necessary support to them, owning industrial property rights such as patents, trademarks, industrial designs, franchise rights, and other intellectual property rights, and exploiting and leasing them to its subsidiary companies or others

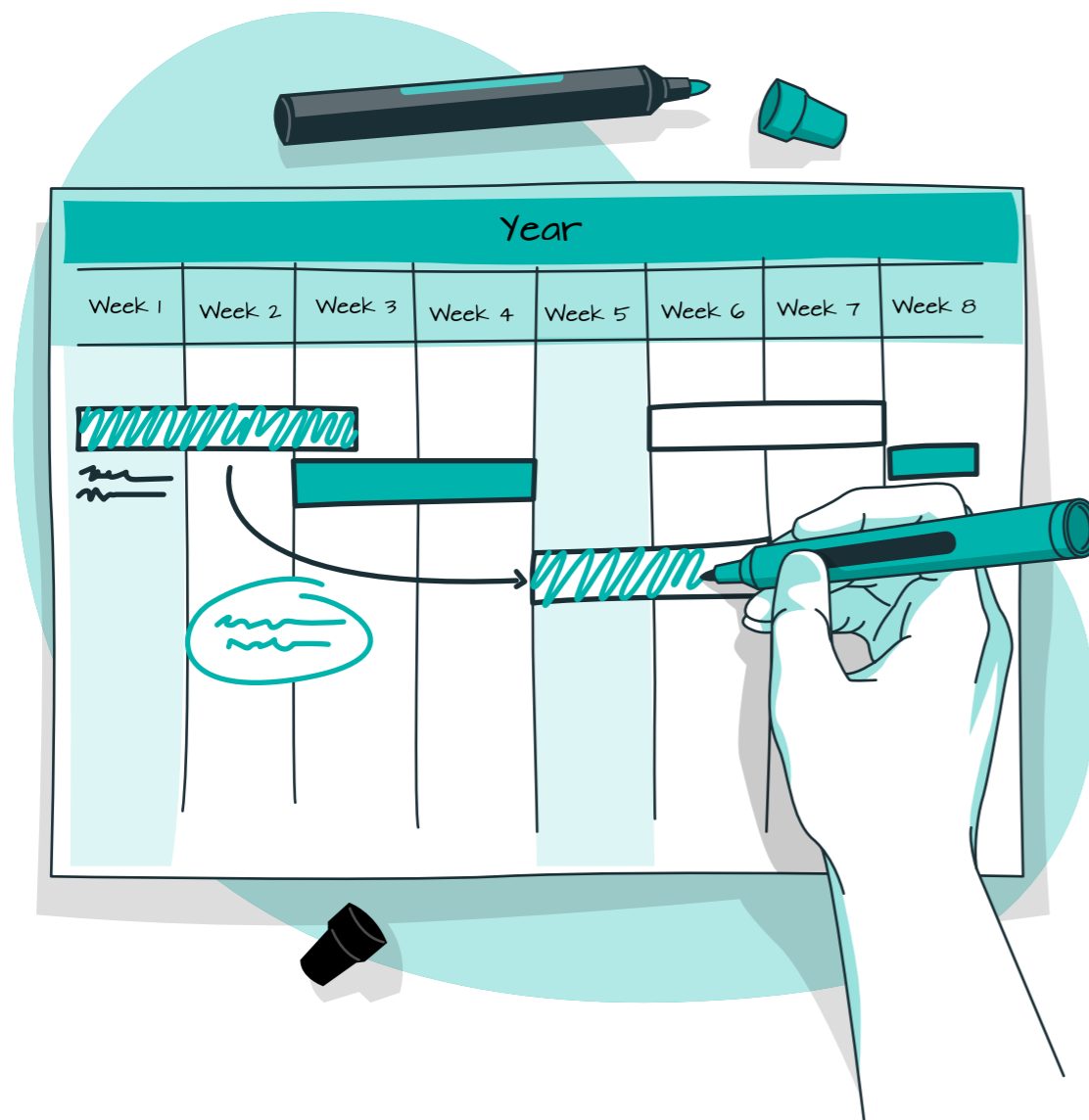
Its subsidiary companies operate in the basic materials sector through the transportation and supply of cement, manufacturing of ready-mix concrete, modern construction solutions, real estate development, general construction, boat building, and luxury yacht manufacturing.

## 2nd: A historical overview of the company's transformation:

- ▼ **August 2008**  
Al Kathiri Holding Company was established in 2008, and its head office is in Riyadh city, with a capital of 100,000 SR as a sole proprietorship under the name of the Mohammed Nasser Al-Kathiri Foundation. Its scope of work initially focused on selling and transporting basic construction materials.
- ▼ **April 2014**  
Mohammed Nasser Al Kathiri Contracting Establishment transformed into a limited liability company under the name of Al Kathiri Holding Company by increasing the company's capital to 5,000,000 SR.
- ▼ **March 2017**  
The company transformed from a limited liability company to a closed joint-stock company with increasing the capital to 27,300,000 SR.
- ▼ **July 2017**  
In July, the company was listed on the parallel market, and the capital after listing increased to 31,395,000 SR.
- ▼ **March 2018**  
Msandh Al-Emdad Support Company, a wholly-owned company of Al Kathiri Holding Company, was established for the purpose of providing logistical services and supporting the company's transportation sector And engaging in contracting, real estate development, and information technology services.
- ▼ **August 2018**  
The branch of the company was transferred to Alian Industry Company (one person company), Its activity lies in providing current and future needs in the ready-mix concrete industry and modern construction techniques.
- ▼ **August 2018**  
The extraordinary General Assembly agreed to increase the capital to 37,674,000 SR.
- ▼ **April 2019**  
The extraordinary General Assembly agreed to increase the capital to 45,208,800 SR.
- ▼ **November 2019**  
Listing and commencement of trading the shares of Al Kathiri Holding Company in the main market with the symbol (3008) in the basic materials sector, with a daily fluctuation of 10% for the share price.
- ▼ **October 2020**  
The extraordinary General Assembly agreed to increase the company's capital by offering 4,520,880 ordinary shares with a value of 45,208,800 SR, so that the company's capital after the increase would be 90,417,600 SR.
- ▼ **April 2021**  
A ministerial decision was issued approving the transformation of the company's subsidiary Alian Industry Company into a closed joint-stock company in order to prepare it for listing in the parallel market (Nomu)
- ▼ **June 2021**  
The Extraordinary General Assembly agreed to increase the company's capital by granting free shares, so the capital after the increase became 113,022,000 SR.
- ▼ **September 2021**  
Under the patronage of Their Excellencies the Minister of Municipal and Rural Affairs and Housing and the Minister of Industry and Mineral Resources, Alian Industry Company inaugurated its Modern building Plant in Sudair industrial city for Industry and Business under the name of (Alian Plant for Modern Building Methods).
- ▼ **September 2022**  
The Capital Market Authority Announces the Approval on the Registration and the Public Offering of Debt-Based Recourse Debt Instruments Program of the Special Purposes Entity Al Kathiri Sukuk
- ▼ **March 2023**  
Completion of the offering and listing of the first tranche of Al Kathiri's Sukuk worth 100 million Saudi Riyals by listing it on the Saudi market.
- ▼ **April 2023**  
The extraordinary general assembly of shareholders approved the division of the company's shares, resulting in a total of 226,044,000 ordinary shares after the division, valued at 0.50 Saudi Riyals per share.
- ▼ **November 2023**  
Establishment of the Luxury Yacht Manufacturing Company, a wholly-owned subsidiary of Al Kathiri Holding, with a capital of 10,000,000 Riyals, for the purpose of manufacturing and building luxury yachts, leisure boats, water slides, and floating docks.

### 3rd: The Company's Vision

Al Kathiri Holding seeks to be a leading investment entity in the Kingdom of Saudi Arabia.

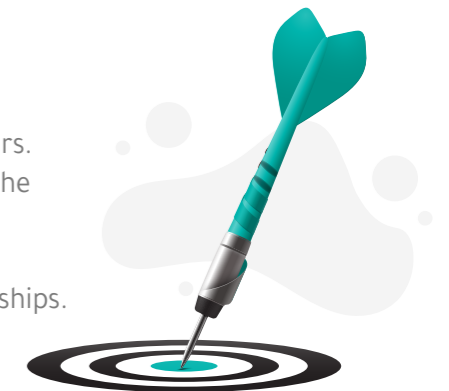


### 4th: The company's mission.

Al Kathiri Holding works towards creating a sustainable ecosystem by investing in human capital and contributing to the preservation of the nation's natural resources. It aims to be the preferred partner for its investors by supporting sustainable development efforts and economic diversification within its investment portfolio.

### 5th: The company's objectives

- ✔ Developing the size of the investment portfolio.
- ✔ Leadership in the local market.
- ✔ Building strategic economic partnerships with investors and suppliers. Localization of construction and building technologies and the use of the latest manufacturing and production equipment.
- ✔ Creating a conducive environment to attract the best talents.
- ✔ Keeping pace with the global market by establishing strategic partnerships.



### 6th: Company values

We prioritize the interests of our clients and investors as our foremost and most important criteria. This approach is integral to our journey of success, contributing to a multi-stakeholder success journey among the group's partners, including clients, investors, and the community.

### 7th: 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.
- ✔ Diversifying the investment portfolio to contribute to sustainability and maximize returns for shareholders.
- ✔ Continuing to develop operations by streamlining costs and enhancing efficiency.

## 8th:Competitive aspects of the company

- ✔ Providing the best appropriate solutions to meet the needs of trading and transportation of its customers, taking into consideration the delivery at the specified time and place with safety and high efficiency.
- ✔ The presence of a full and specialized technical team and staff working to fulfill the customers' desires.
- ✔ Long-term strategic relationships with its clients, achieving the highest standards of mutual success.
- ✔ After-sales service, with accurate and continuous follow-up with customers and flexibility in dealing with them to gain their satisfaction.
- ✔ Constant and continuous search for the latest building technologies that serve the construction sector and the use of the latest manufacturing and production equipment.
- ✔ Multiple sources of cement, which allows many options for customers.

## 9th: Company Activity and Subsidiary Companies

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.

Al Kathiri Holding Company owns the following subsidiary companies:

Company Name	Msandh Al-Emdad Limited Co.	Alian Industry Co.	THE LUXURY YACHT
Legal Entity	Limited Liability	Closed Joint-Stock	Limited Liability
Main Activity	Providing logistical services and support the company's transportation sector.	Production, manufacture, and sale of ready-mix concrete and precast panels.	Production, construction and manufacture of yachts and boats
Incorporation Date	11-03-2018	06-08-2018	01-11-2023
Capital	1,000,000	10,000,000	10,000,000
Company Ownership Percentage	100%	99%	%100
State of incorporation and operations	KSA	KSA	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 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, 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.



### The sector of producing and selling ready-mix concrete

The production and sale of ready-mix concrete are carried out through the company's central factories and stations (located in Al-Khair Malham and Al-Narges districts). This sector is managed through Alian Ready Mix Concrete Company, one of the subsidiaries of Al-Kathiri Holding Company



### 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 Alian Industry company.



### 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.



### 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 10/03/2019 (corresponding to 07/03/1441). 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).

The sector is managed through Alian techniques for Industry Company, a subsidiary of Alian Industry Company, which is affiliated with Al-Kathiri Holding Company.



### Luxury Yacht and Boat Construction Sector

The company recently entered the luxury yacht and boat industry sector, including luxury yachts, leisure boats, fishing boats, watercraft, and floating docks. The company announced the establishment of a luxury yacht company to build and manufacture luxury yachts, aiming to be one of the pioneering companies in this field in the Kingdom of Saudi Arabia, marking a strong start in a promising and flourishing sector.



# Chapter Two:

## The Board of Directors and its Committees

### 1st: The Board of Directors

► **A) Formation and classification of the Board of Directors:**

The company is managed by a board of directors composed of four members elected by the ordinary general assembly of shareholders for a term not exceeding three years. The ordinary general assembly of the company approved the reconstitution and election of the board of directors for the new term, which commenced on 12/04/2023 and ends on 11/04/2026, comprising the following individuals:

Name	Position	Membership Classification		
		Executive	Non-Executive	Independent
Rayed Mohammed Nasser Alkathiri ★	Chairman- previously		✓	
Khaled Abdel-Mohsen Abdel-Rahman Al-Khayal ★★	Chairman- Current		✓	
Abdullah Abdulrahman abdullah Al Shaikh ★★	Independent Member			✓
Meshal Muhammed Nasser Alkathiri	CEO and Managing Director	✓		
Adel Ibrahim Muhammed Alkathiri ★	Independent Member- previously		✓	
Saud Muhammed Abdullah Al-Shuraim	Independent Member			✓

★ The membership of Mr. Rayed Mohammed Nasser Alkathiri and Mr. Adel Ibrahim Mohammed Al-Kathiri ended on 11/04/2023.  
 ★★ The membership of Mr. Khaled Abdel-Mohsen Abdel-Rahman Al-Khayal and Mr. Abdullah Abdulrahman abdullah Al Shaikh began on 12/04/2023.

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

# 1-Board of Directors



► **Khaled Abdel-Mohsen Abdel-Rahman Al-Khayal**

- Membership**  
Non-Executive
- Current Job**  
Chairman
- Previous Job**  
Chairman of Al Wasil House Company
- Qualification**  
Master of Business Administration from Ambassador University  
Bachelor of Business Administration from Ambassador University
- Experience**
  - Member of the Nominations and Rewards Committee for Al-Kathiri Holding Company since 2017 until now.
  - Secretary of the Board of Directors for Al-Kathiri Holding Company from 2017 until 2023.
  - Secretary of the Board of Directors for Yalan Industries Company from 2021 until 2023.
  - Executive Committee Member at Abdul Latif Industrial Investment Company from 2010 until 2016.
  - Audit Committee Member at Abdul Latif Industrial Investment Company from 2007 until 2016.
  - General Manager of Assets Brokerage Company for Commercial Services from 2008 until 2012.
  - Board Member of City Cement Company from 2005 until 2010.



► **Abdullah Abdulrahman Abdullah Al Shaikh**

- Membership**  
Independent
- Current Job**  
The Chief Financial Officer of the Abdulaziz Al Rajhi Endowment.
- Previous Job**  
General Manager of Financial Affairs at the Saudi Medical Care Company
- Qualification**  
Master of Accounting and Management from the University of Aberdeen - UK  
Bachelor of Accounting from King Saud University
- Experience**
  - Chief Financial Officer at the Abdulaziz Al Rajhi Endowment since 2021
  - Board Member at Allied Cooperative Insurance Group (ACIG)
  - Board Member at Enma Alrwabi Company.
  - Board Member at Al Kathiri Holding Company.
  - Board Member at PBS Company.
  - Chairman of the Audit Committee at Allied Cooperative Insurance Group (ACIG)
  - Member of the Audit Committee at National Unified Procurement Company for Medical Supplies (NUPCO).
  - Member of the Executive Committee at Specialized International Holding Company.
  - Member of the Audit Committee at Chemanol Company.
  - Chief Financial Officer at King Faisal Specialist Hospital & Research Center.
  - Director of Internal Audit at the Saudi Stock Exchange (Tadawul) from 2006 to 2008.
  - Executive Director of Internal Audit at the Ministry of National Guard Health Affairs Hospitals Operating Program (AMI/ JAMA) from 2001 to 2006.



► **Meshal Muhammed Nasser Alkathiri**

- Membership**  
Executive
- Current Job**  
The Chief Executive Officer and Managing Director of Al-Kathiri Holding Company, and the Executive Director of Alian Industry Company.
- 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.



► **Saud Muhammed Abdullah Al-Shuraim**

- Membership**  
Independent
- Current Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
- Previous Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
- Qualification**  
Diploma in Business Administration  
Diploma in Electrical Engineering
- Experience**
  - Chairman of the Board of Directors of Leen Al Khair Trading Company.
  - Chairman of the Board of Directors of Al Mansa Agricultural Company.
  - Chairman of the Board of Directors of Sukuk Al Kathiri.
  - CEO of Advance International Company for Communication and Information Technology.
  - Vice Chairman of the Board of Directors of Kathiri Holding Company.






## 2-Audit Committee Members





### ► Maher Nizam Abdul Karim Al-Bargouthi ★

-  **Membership**  
Chairman- previously
-  **Current Job**  
General Manager of Sorouh Financial Consulting.
-  **Previous Job**  
Director of Corporate Consulting Sector - Dubai for Financial Consulting
-  **Qualification**  
Master of Accounting





### ► Ahmed Nasser Ahmed Al-Sayegh

-  **Membership**  
Chairman- current
-  **Current Job**  
Director of the individual's sector in the Riyadh region at SNB.
-  **Previous Job**  
Samba Financial Group Operations Manager
-  **Qualification**  
Bachelor's degree in Business Administration from King Abdulaziz University

### ► Saud Muhammed Abdullah Al-Shuraim

-  **Membership**  
Member
-  **Current Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
-  **Previous Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
-  **Qualification**  
Diploma in Business Administration  
Diploma in Electrical Engineering





### ► Adel Ibrahim Mohammed Alkathiri ★★

-  **Membership**  
Member
-  **Current Job**  
Director of Planning and Business Division at Saudi Telecommunications Company (STC)
-  **Previous Job**  
Executive Assistant and Deputy Chief Organizational Officer for the Business Sector at Saudi Telecommunications Company (STC)
-  **Qualification**  
Bachelor of Management and Accounting Information Systems from Osaka University in Japan




The membership of Mr. Maher Nizam Abdul Karim Al-Bargouthi ended on 11/04/2023. ★  
The membership of Mr. Adel Ibrahim Mohammed Alkathiri began on 12/04/2023. ★★

## 3-Members of the Nomination, Remuneration Committee



### ► Saud Muhammed Abdullah Al-Shuraim

-  **Membership**  
Chairman
-  **Current Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
-  **Previous Job**  
The CEO and Managing Director of Advance International Company for Communication and Information Technology
-  **Qualification**  
Diploma in Business Administration  
Diploma in Electrical Engineering





### ► Ahmed Nasser Ahmed Al-Sayegh ★★

-  **Membership**  
Member
-  **Current Job**  
Director of the individual's sector in the Riyadh region at SNB.
-  **Previous Job**  
Samba Financial Group Operations Manager
-  **Qualification**  
Bachelor's degree in Business Administration from King Abdulaziz University

### ► Rayed Mohammed Nasser Alkathiri ★

-  **Membership**  
Member
-  **Current Job**  
Alkathiri Holding Company Chairman
-  **Previous Job**  
Commercial Director of Al Kathiri Holding Company
-  **Qualification**  
Diploma in Computer from King Saud University

### ► Khaled Abdulmuhsen Abdulrahman Alkhalaf

-  **Membership**  
Member
-  **Current Job**  
Chairman of Al Kathiri Holding Company
-  **Previous Job**  
Chairman of Al Wasil House Company
-  **Qualification**  
Master of Business Administration from Ambassador University  
Bachelor of Business Administration from Ambassador University

The membership of Mr. Rayed Mohammed Nasser Alkathiri ended on 11/4/2023. ★  
The membership of Mr. Ahmed Nasser Ahmed Al-Sayegh began on 12/04/2023. ★★

**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			
	Allian 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			
	Al baab for Industry	Inside KSA	Limited liability Company			
The Luxury Yacht Co	Inside KSA	Limited liability Company				

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 / ....)
Adel Ibrahim Mohammed Alkathiri	Sukuk Alkathiri	Inside KSA	Special Purposes Entity	Allian Industry Company	Inside KSA	Closed joint-stock company
				Alkathiri Holding Company	Inside KSA	Listed joint-stock company

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 / ....)
Saud Muhammed Abdullah Al-Shuraim	Alkathiri Holding Company	Inside KSA	Listed joint-stock company	Special Food Company	Inside KSA	Limited liability Company
	Leen Alkhair Trading Company	Inside KSA	Listed joint-stock company			
	Almanasah Agricultural Company	Inside KSA	Closed joint-stock company			
	ARSAN Al Ola for construction	Inside KSA	Limited liability Company			
	Advance International Company for Communication and Information Technology	Inside KSA	Listed joint-stock company			
	Sukuk Alkathiri	Inside KSA	Special Purposes Entity			
	Odiad Holding Company	Inside KSA	Limited liability Company			
	Kaf Letter Company	Inside KSA	Limited liability Company			
Leen Alkhair Trading Company	Outside KSA	Limited liability Company				

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 / ....)
Khaled Abdulmuhsen Abdulrahman Alkhalayal	Red Seas Capulets	Inside KSA	Closed joint-stock company	Al Abdullatif Industrial Investment Company	Inside KSA	Closed joint-stock company
	Allian Industry Company (One Person Company)	Inside KSA	Closed joint-stock company	City Cement Company	Inside KSA	Listed joint-stock company
	Alkathiri Holding Company	Inside KSA	Listed joint-stock company	Al Assel House Company	Inside KSA	Closed joint-stock company

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 / ....)
Abdullah Abdulrahman abdullah Al Shaikh	Enma Alrhabi Company	Inside KSA	Listed joint-stock company	Salam Medical Group Co	Inside KSA	Closed joint-stock company
	Allied Cooperative Insurance Group (ACIG)	Inside KSA	Listed joint-stock company	Specialized Holding Co	Inside KSA	Limited liability Company
	Alkathiri Holding Company	Inside KSA	Listed joint-stock company			

**D) Number of convened Board meetings during the last fiscal year, the dates of the meetings, and the attendance record for each meeting indicating the names of the attendees**

During the fiscal year, the Board of Directors Convened (5) meetings during 2023.

► **2023 Board of Directors meetings during**

Name	Number and date of meetings and attendance record					Total
	First meeting 24/01/2023	Second meeting 15/03/2023	Third meeting 17/04/2023	Fourth meeting 18/05/2023	Fifth meeting 02/11/2023	
Khaled Abdulmuhsen Abdulrahman Alkhalayal	His membership did not commence		✓	✓	✓	3
Abdullah Abdulrahman abdullah Al Shaikh	His membership did not commence		✓	✓	✓	3
Rayed Mohammed Nasser Alkathiri	✓	✓	His membership in the Board of Directors ended at the conclusion of the previous board's term.			2
Meshal Muhammed Nasser Alkathiri	✓	✓	✓	✓	✓	5
Adel Ibrahim Muhammed Alkathiri	✓	✓	His membership in the Board of Directors ended at the conclusion of the previous board's term.			2
Saud Muhammed Abdullah Al-Shuraim	✓	✓	✓	✓	✓	5

**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 12/04/2023**

Name	Number and date of meetings and attendance record			Total
	First Meeting 17/04/2023	Second Meeting 18/05/2023	Third Meeting 02/11/2023	
Khaled Abdulmuhsen Abdulrahman Alkhalayal	✓	✓	✓	3
Meshal Muhammed Nasser Alkathiri	✓	✓	✓	3
Abdullah Abdulrahman abdullah Al Shaikh	✓	✓	✓	3
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 of the company recently approved an internal form for evaluating the performance of the members of the board submitted by the Nominations and Remuneration Committee, this form has been adopted since 2019, whereby the members of the Board participate in the evaluation process by providing their opinions, and the evaluation results are analyzed under the supervision of the Nominations and Remuneration Committee and then the results are submitted to the Board of Directors. The evaluation process was not outsourced.

## 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:**

The committee was formed on 17/04/2023 after the reconstitution of the current Board of Directors. The committee's term ends at the conclusion of the current board's term on 11/04/2026. The following table outlines the members of the Audit Committee:

Name	Position
Maheer Nizam Abdul Karim Al-Bargouthi ★	Chairman previously
Ahmed Nasser Ahmed Al-Sayegh	Chairman - Current
Saud Muhammed Abdullah Al-Shuraim	Member
Adel Ibrahim Muhammed Alkathiri ★★	Member

2023/04/11 The membership of Mr. Maheer Nizam Abdul Karim Al-Bargouthi ended on ★  
 2023/04/12 The membership of Mr. Adel Ibrahim Mohammed Alkathiri began on ★★

**Duties and Responsibilities of the Audit Committee:**



**The attendance record of the Audit Committee.**

During the fiscal year 2023, the committee convened Four meetings for the period from 01-01-2023 to 31-12-2023, as shown in the following table:

Member Name	Membership Nature	Attendance Record				Total
		First Meeting 13/03/2023	Second Meeting 17/04/2023	Third Meeting 17/05/2023	Forth Meeting 02/11/2023	
Mr Maheer Nizam Abdul Karim Al-Bargouthi ★	Chairman- previously	✓	The membership of the member in the committee has ended.			1
Mr Ahmed Nasser Ahmed Al-Sayegh	Chairman-Current	✓	✓	✓	✓	4
Mr. Saud Muhammed Abdullah Al-Shuraim	Member	✓	✓	✓	✓	4
Adel Ibrahim Muhammed Alkathiri ★★	Member	His membership has not commenced.	✓	✓	✓	3

Name	Position
Saud Muhammed Abdullah Al-Shuraim	Chairman
Rayed Mohammed Nasser Al Kathiri ★	Member
Ahmed Nasser Ahmed Al-Sayegh ★★	Member
Khaled Abdulmuhsen Abdulrahman Alkhalaf	Member

The membership of Mr. Rayed Mohammed Nasser Al Kathiri ended on 11/04/2023 ★  
 The membership of Mr. Ahmed Nasser Ahmed Al-Sayegh began on 12/04/2023 ★★

**B - Nominations, Remuneration Committee:**

The committee was formed on 17/04/2023 after the reconstitution of the current Board of Directors. The committee's term ends at the conclusion of the current board's term on 11/04/2026. The following table outlines the members of the Nominations and Rewards Committee:

**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 2023, 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:

Attendance Record				
Member Name	Membership Nature	First Meeting 03/01/2023	Second Meeting 17/05/2023	Total
Mr. Saud Muhammed Abdullah Al-Shuraim	Chairman	✓	✓	2
Mr. Rayed Mohammed Nasser Alkathiri *	Member	✓	The membership of the member in the committee has ended.	1
Ahmed Nasser Ahmed Al-Sayegh **	Member	His membership has not commenced.	✓	1
Mr. Khaled Abdulmuhsen Abdulrahman Alkhayal	Member	✓	✓	2

The membership of Mr. Rayed Mohammed Nasser Al Kathiri ended on 11/04/2023 \*  
 The membership of Mr. Ahmed Nasser Ahmed Al-Sayegh began on 12/04/2023 \*\*

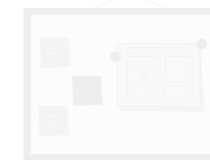
**3rd: Executive Management**

The Executive Management is comprised of:

Name	Membership	Current Job	Previous Job	Qualification
Meshal Muhammed Nasser Alkathiri	CEO	CEO & Managing Director	General Manager - Alkathiri Holding Company	Bachelor's degree in Marine Science
Basel Abdulsamee Yousef Aloud-Allah	CEO	CFO	Chief Accountant - Al Kathiri Holding Company	Bachelor's degree in Management Sciences Accounting

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.



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

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

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

**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. Meshal Muhammed Nasser Alkathiri	CEO - Board Member	Shares	4,909,953	43.4424 %	38,5761 %	38.5761 %	82,289,107	-4.8663 %

**Note:** The extraordinary general assembly approved on April 2023 ,12, the stock split of one share into 20 shares and the adjustment of the nominal value of the share from 10 Saudi Riyals to 50 Halalas (half Saudi Riyal).

**2-Ownership of Board Members relatives: -**

Not available

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

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. Meshal Muhammed Nasser Alkathiri	CEO - Board Member	Shares	4,909,953	43.4424 %	87,199,060	38.5761%	82,289,107	-4.8663%

**Note:** The extraordinary general assembly approved on April 2023, 12, the stock split of one share into 20 shares and the adjustment of the nominal value of the share from 10 Saudi Riyals to 50 Halalas (half Saudi Riyal).

## 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.

➤ **A) Board remuneration policy**

The company's By Law show 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.**

There is No

➤ **E- Payments to Board Members, Committee Members and Senior Executives: -**

Below is a comprehensive statement of all the compensation received by the board members, affiliated committees, and senior executives:

**1) Board members 'remuneration**

Member Name	Fixed Rewards						Variable Rewards						EOS Reward	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	Remuneration 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			

**First: Independent Members**

Adel Ibrahim Muhammed Alkathiri	11,178	4,000	6,000	0	0	0	21,178	0	0	0	0	0	0	0	0	21,178	0
Saud Muhammed Abdullah Al-Shuraim	40,000	10,000	12,000	0	0	0	62,000	0	0	0	0	0	0	0	0	62,000	0
Abdullah Abdulrahman Abdullah Al Shaikh	28,822	6,000	0	0	0	0	34,822	0	0	0	0	0	0	0	0	34,822	0
<b>Total</b>	<b>80,000</b>	<b>20,000</b>	<b>18,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>118,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>118,000</b>	<b>0</b>

**Second: Non-executive members**

Rayed Mohammed Nasser Alkathiri	11,178	4,000	2,000	0	0	0	2,000	0	0	0	0	0	0	0	0	17,178	0
Khaled Abdulmehsen Abdulrahman Alkhalaf	28,822	10,000	4,000	0	0	0	4,000	0	0	0	0	0	0	0	0	38,822	0
<b>Total</b>	<b>40,000</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56,000</b>	<b>0</b>

**Third: Executive members**

Meshal Muhammed Nasser Alkathiri	40,000	10,000	0	0	0	0	50,000	0	0	0	0	0	0	0	215,301	50,000	0
<b>Total</b>	<b>40,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215,301</b>	<b>50,000</b>	<b>0</b>
<b>Full Total</b>	<b>160,000</b>	<b>38,000</b>	<b>24,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>224,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215,301</b>	<b>224,000</b>	<b>0</b>

**B) Senior Executive Remuneration:**

Senior Executive Positions	Fixed Rewards				Fixed Rewards						Total executive remuneration for the Board, if any.	Grand Total	EOS Reward
	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	50,000	410,000	215,301
CFO	205,900	0	0	0	15,000	0	0	0	0	220,900	0	220,900	66,930
Total	565,900	0	0	0	15,000	0	0	0	0	580,900	50,000	630,900	282,231

**C) Remuneration of members of committees**

**➤ 1- Members of the Audit Committee**

Member name	Fixed remuneration except for fees) for attending (meetings	fees for attending meetings	Total
Maher Nitham Albargothi	6,250	2,000	8,250
Adel Ibrahim Muhammed Alkathiri	18,750	6,000	24,750
Ahmed Nasser Al-Sayegh	25,000	8,000	33,000
Saud Muhammed Abdullah Al-Shuraim	25,000	8,000	33,000
<b>Total</b>	<b>75,000</b>	<b>24,000</b>	<b>99,000</b>

**➤ Members of the Nomination and Remuneration Committee -2**

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	12,500	2,000	14,500
Ahmed Nasser Al-Sayegh	12,500	2,000	14,500
Khaled Abdulmuhsen Abdulrahman Alkhayal	25,000	4,000	29,000
<b>Total</b>	<b>75,000</b>	<b>12,000</b>	<b>87,000</b>

**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 2023, 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 12/04/2023	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

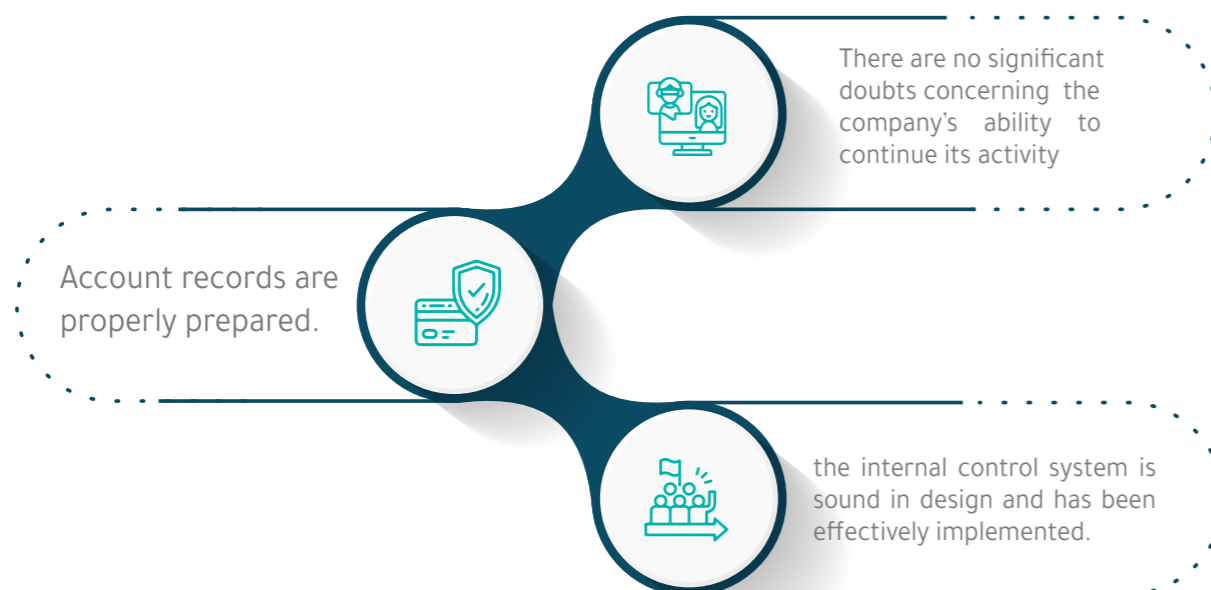
### Shareholders records

Sequence	Request date	Date of the equity ownership files	Request reasons
1	09/01/2023	31/12/2022	Others
2	27/03/2023	12/04/2023	General assembly



## 8th: The Board of Directors declarations:

The Board of Directors acknowledges the following:



## 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 2023.
- 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 2023.



## Chapter Three

### ► Planning and performance

## 1st: A description of the main scope of business of the company and its subsidiaries.

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.

### 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

Production and sale of ready-mix concrete are carried out through the company's factories and central stations. This sector is managed by Yalan Ready Mix Concrete Company.



#### 3) Production of Three-dimensional concrete panels

Alian Industry Company has obtained approval from the Ministry of Housing for the production of 3D concrete panels. The company is currently producing these panels through its factory in Sudair Industrial City.



#### 4) Contracting and Real Estate Development Sector

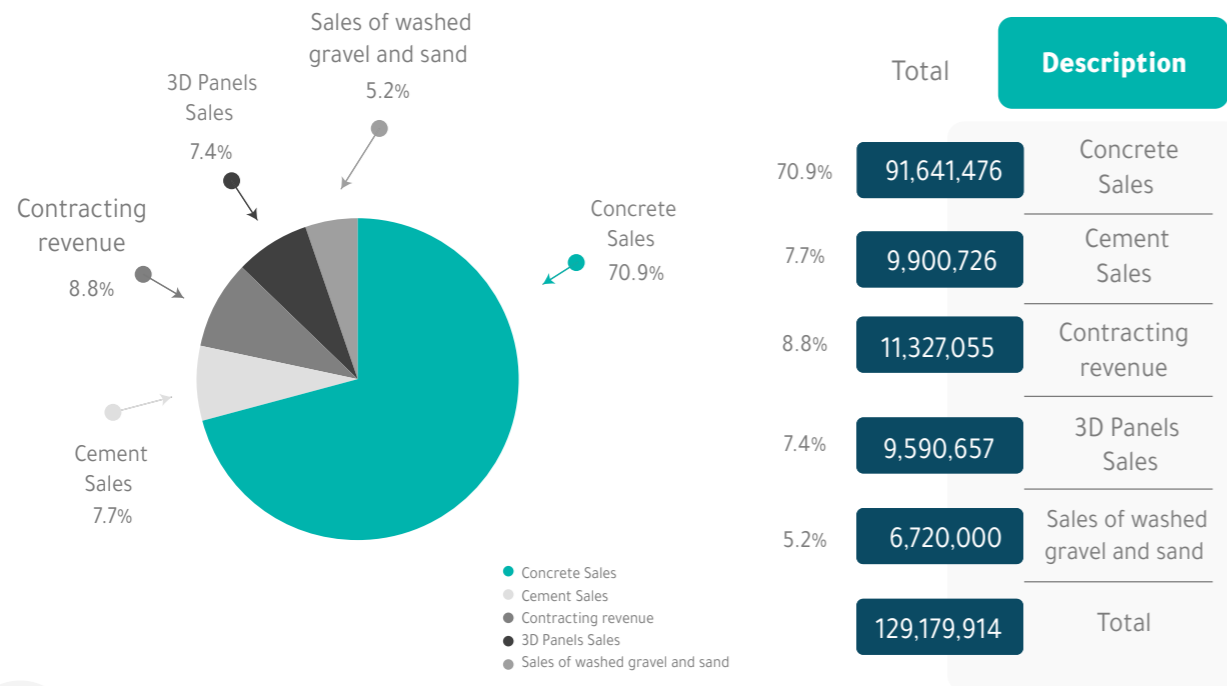
Supporting Supply Limited Company has successfully met the qualification standards approved by the Wafi program, one of the Ministry of Housing's programs.



## The geographic distribution of the company's revenue from core activities during the year 2023

Description	Domestic revenue	Export revenue	Total
<b>Total</b>	127,132,661	2,047,253	129,179,914

## The company's revenues generated by the primary activities during the year 2023



## 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.

- Msandh Al Emdad Limited Company signed a contracting agreement with ASAR Investment Company.
- The issuance and listing of the initial tranche of Sukuk Al Kathiri with the trading symbol 5015 on the Saudi market, valued at 100 million Saudi Riyals (100,000 certificates).
- The General Assembly held on April 12, 2023, approved the reconstitution of the Board of Directors for the new term, commencing on April 12, 2023, and ending on April 11, 2026.
- The General Assembly held on April 12, 2023, approved the stock split of the company, resulting in the current number of shares being 226,044,000 shares at a nominal value of 0.5 Saudi Riyals (50 Halalas).
- The company distributed the first returns of the Sukuk for the six-month period ending on September 30, 2023.
- The Board of Directors approved the establishment of Luxury Yacht Manufacturing Company, specialized in building luxury boats, yachts, fishing boats, leisure boats, jet skis, and marine docks.

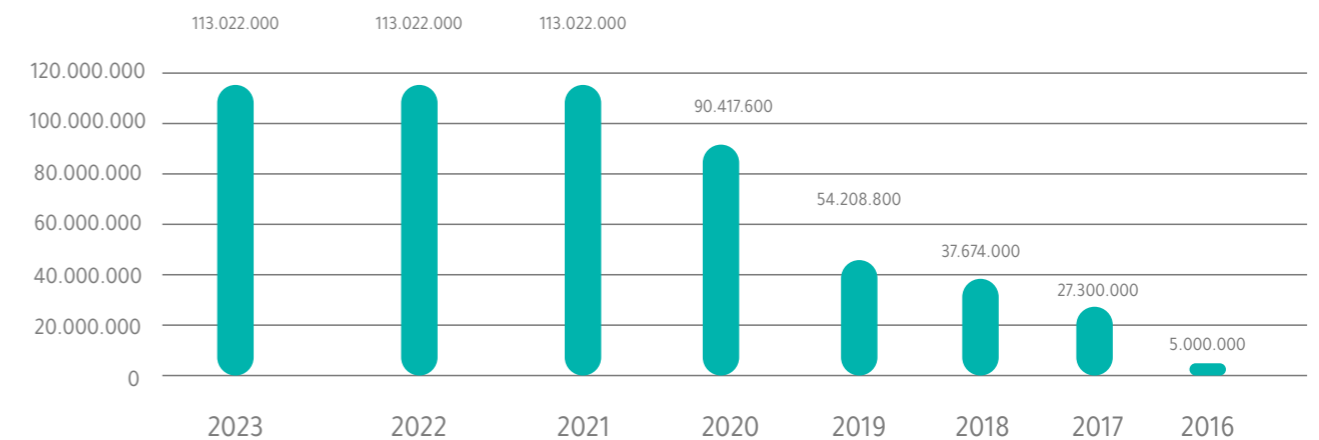
## 3rd: Financial performance

By reviewing the company's financial statements for the year ended 31/12/2023; 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	2023	2022	2021	2020	2019
Current assets	152,735,026	42,947,100	29,628,516	76,288,110	57,446,038
Current liabilities	49,123,972	38,950,016	41,389,284	35,604,496	34,244,475
Working capital	103,611,054	3,997,084	11,760,768-	40,683,614	23,201,563
Non-current assets	148,236,385	158,942,458	151,587,776	90,191,278	52,837,575
<b>Total assets</b>	<b>300,971,411</b>	<b>201,889,558</b>	<b>181,216,292</b>	<b>166,479,388</b>	<b>110,283,613</b>
Other liabilities - non-current	120,560,610	27,489,543	5,891,790	5,374,650	4,842,228
Total liabilities	169,684,582	66,439,559	47,281,074	40,979,146	39,086,703
Paid-in capital	113,022,000	113,022,000	113,022,000	90,417,600	45,208,800
Reserves and retained earnings	10,450,451	14,633,724	13,181,137	27,271,721	18,177,189
Stockholders' equity (no minority rights)	131,031,534	135,214,807	133,762,220	125,500,242	71,196,910
<b>Total liabilities and stockholders' equity</b>	<b>300,716,116</b>	<b>201,654,366</b>	<b>181,043,294</b>	<b>166,479,388</b>	<b>110,283,613</b>
Minority Rights	255,295	235,192	172,998	0	0

### Capital Development



## 2- business results during the last 5 years

statement	2023	2022	2021	2020	2019
sales	129,179,914	129,371,710	128,777,194	104,438,855	89,465,820
Cost of sales	106,427,577	114,306,447	88,560,636	77,472,448	61,565,554
Gross profit of the business	22,752,337	15,065,263	40,216,558	26,966,407	27,900,266
Finance expenses, general and administrative expenses, and selling and marketing expenses	29,226,093	12,704,302	30,976,569	16,608,138	10,051,032
Other income	3,234,521	190,855	465,766	127,233	-1,372,886
Zakat and income tax	878,739	777,991	968,944	825,750	460,373
Net profit (no minority rights)	-4,117,974	1,773,825	8,736,811	9,659,752	16,015,975

Graph showing sales and net profit over the last five years



## 3-Operational results of the year 2021 compared to the year 2020.

### Operational results 2022 compared to 2021

Statement	2023	2022	Change	Percentage of Change
Revenue	129,179,914	129,371,710	-191,796	-0.15%
Cost of revenue	-106,427,577	-114,306,447	7,878,870	-6.89%
Gross profit	22,752,337	15,065,263	7,687,074	51.03%
General and administrative expenses	-12,752,577	-9,918,241	-2,834,336	28.58%
Sales and distribution expenses	-3,333,728	-2,740,133	-593,595	21.66%
(Provision) Reversal of expected credit losses	-3,341,383	3,781,306	-7,122,689	-188.37%
Operating profit	3,324,649	6,188,195	-2,863,546	-46.27%
Losses on disposal of machinery, assets, and equipment	0	-500,000	500,000	-100.00%
Financial expenses	-9,798,405	-3,327,234	-6,471,171	194.49%
Deposits revenue	3,157,731	0	3,157,731	Do not apply
Other revenue	76,790	190,855	-114,065	-59.77%
(Loss) / Profit before zakat	-3,239,235	2,551,816	-5,791,051	-226.94%
Zakat	-878,739	-777,991	-100,748	12.95%
Net (loss) / profit for the year	-4,117,974	1,773,825	-5,891,799	-332.15%
(Loss) Voluntary employee benefits reassessment	-45,196	-259,044	213,848	-82.55%
Total (comprehensive loss) / comprehensive income for the year	-4,163,170	1,514,781	-5,677,951	-374.84%
<b>Net (loss) / profit for the year attributable to:</b>				
Shareholders of the parent company	-4,138,744	1,709,762	-5,848,506	-342.07%
Non-controlling interests	20,770	64,063	-43,293	-67.58%
<b>Total (comprehensive loss) / comprehensive income for the year attributable to:</b>				
Shareholders of the parent company	-4,183,274	1,452,587	-5,635,861	-387.99%
Non-controlling interests	20,104	62,194	-42,090	-67.68%
<b>Earnings (loss) per share:</b>				
From operating profit	0.029	0.011	0.019	176.96%
From net (loss) / profit for the year	-0.018	0.008	-0.026	-332.15%

**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	2023		Brief Description	Reason Statement
	Paid Amount	Due until the end of the annual financial period and has not been paid		
Zakat	777,990	878,739	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	3,379,949.17	317,949.99	The company is subject to the value-added tax system issued under Cabinet Resolution No. 654 dated 01/11/1438 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	893,724.00	0	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	1,288,078.29	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 (878,739) SR for Islamic Zakat for the zakat due for the year 2023.
- 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.

**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 3,288,654 SR 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:

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
<b>A - Short-term credit facilities</b>						
Riyadh Bank	4,521,000	Facilities to be paid every 6 months	4,931,314	5,137,790	1,513,506	1,513,506
SNB - Saudi National Bank	5,000,000	Facilities to be paid every 6 months	10,538,256	10,472,847	5,275,683	5,275,683
Arab National Bank - ANB	7,000,000	Facilities to be paid every 6 months	11,797,646	2,117,959	6,651,722	6,651,722
Riyadh Bank - Alian Industry Company	8,000,000	Facilities to be paid every 6 months	13,054,120	7,515,237	5,538,883	5,538,883
<b>Long-Term Loans</b>						
Saudi Industrial Development Fund	23,200,000	Installments to be paid within 7 years	23,200,000	2,000,000	20,200,000	20,200,000

## 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	Number of Employee
Al Kathiri Holding Company	Platinum	50 %	6
Msandh Al-Emdad Limited Company	Platinum	25.98 %	88
The Luxury Yacht Co	Platinum	100 %	2
Alian Industry Company	Medium Green	31 %	292
<b>Total number of employees including its subsidiaries</b>			<b>388</b>

## 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
37	Training of Board Members	Guiding Provision
39	Evaluation	Guiding Provision
67	Formation of Risk Management Committee	Guiding Provision
68	Risk Management Committee Competencies	Guiding Provision
69	Risk Management Committee Meetings	Guiding Provision
82	Motivate employees	Guiding Provision
84	Social Responsibility	Guiding Provision
85	Social work initiatives	Guiding Provision
92	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 2021.

**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 subsidiaries, and any change in that interest or those rights during the last fiscal year.**

Sukuk Al kathiri (sponsored by Kathiri Holding) offered 100,000 Suk valued at 100,000,000 Saudi Riyals as part of a local Sukuk program listed on the Saudi market and compliant with Islamic Sharia principles during the fiscal year ending December 31, 2023.

Below is a statement of the debt instruments owned by Mr. Meshal Al Kathiri in his capacity as a board member (for Kathiri Holding and Sukuk Al kathiri) and CEO of Kathiri Holding Company:

Member Name	Position	Remarks	Beginning of the year		End of the Year		Net Change	
			Number of Sukuk	Ownership Percentage	Number of Sukuk	Ownership Percentage	Number of Sukuk	Ownership Percentage
Mr. Meshal Muhammed Nasser Alkathiri	CEO - Board Member	Shares	0	0%	13,300,000	13.30 %	13,300,000	13.30 %

**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 purchased by its subsidiaries.**

There is none

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

There is none.

**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 & Alkathiri Holding Company	Mr. Meshal Al Kathiri and Mr. Khaled Alkhayyal are members of the Board of Directors of the two companies (Al Kathiri Holding and Alian Industry).	Mutual transactions, Distributing dividends	20,562,768
Msandh Al-Emdad LLC & Alian Industry Company	A subsidiary of the parent company (Al Kathiri Holding Company) Mr. Meshal Al Kathiri and Mr. Khaled Alkhayyal are members of the Board of Directors of the two companies (Al Kathiri Holding and Alian Industry).	Procurement and mutual transactions	20,562,768

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

Not applicable: The company has appointed an internal audit department

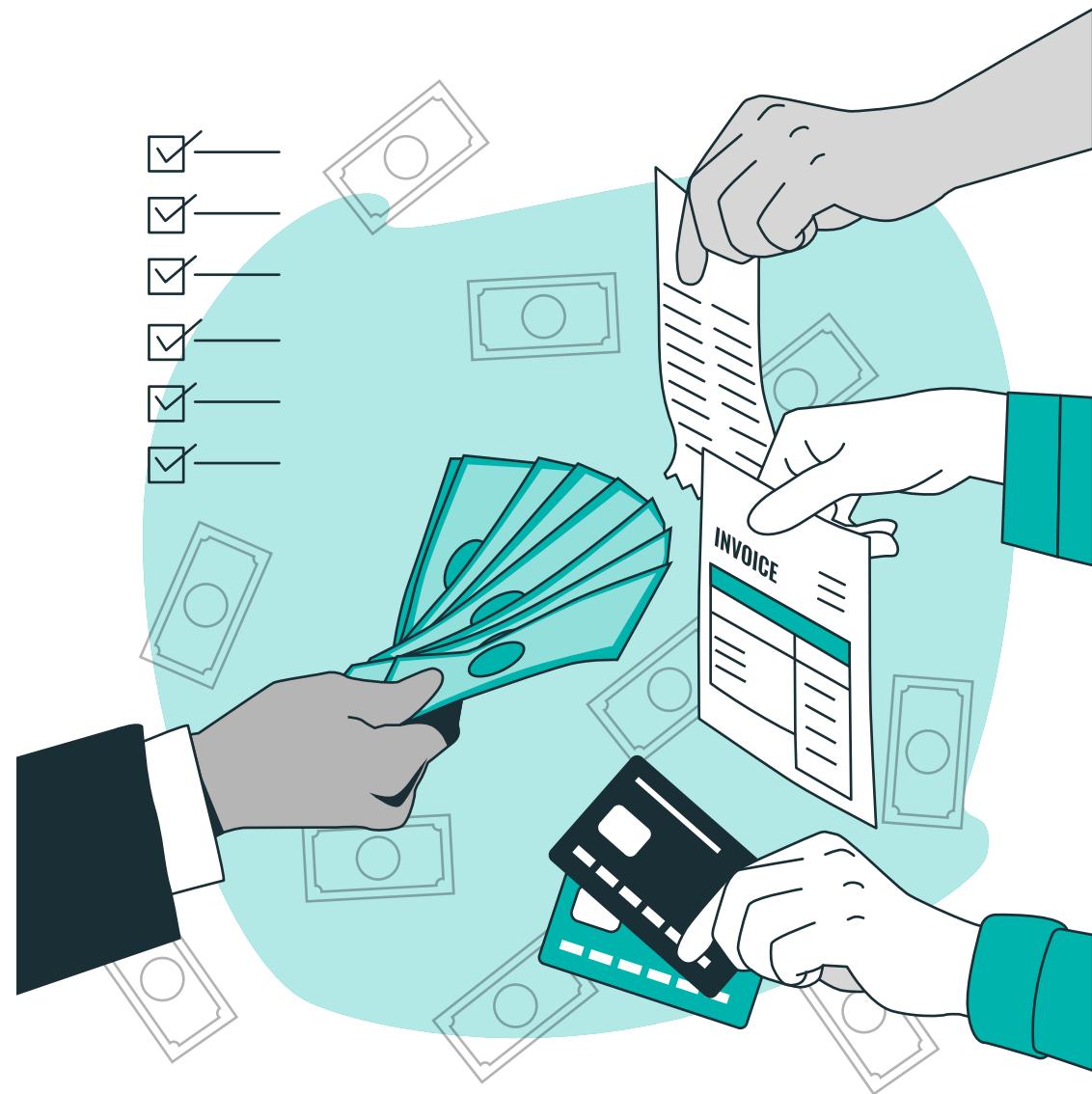
## Fourteenth: Company announcements on the Tadawul website during the year 2023(Company symbol 3008)

Sr.	G-DATE	Announcements Title text
1	30-01-2023	Al Kathiri Holding Co. Announces that its subsidiary Msandh Alemdad Contract Sign Off with ASAR INVESTMENT
2	16-02-2023	Al Kathiri Holding Company announces its intention to issue the first series of the sukuk program denominated in Saudi riyals
3	08-03-2023	Al Kathiri Holding Co. Announces the Offering Period for the Series One of the Sukuk Issuance Programme through Sukuk Al Kathiri
4	09-03-2023	Al Kathiri Holding Co. announces the Coupon Return for the Series One of the Sukuk Issuance Programme through Sukuk Al Kathiri at 8.50% per annum fixed rate paid semi-annual
5	15-03-2023	Al Kathiri Holding Co. announces its Annual Financial Results for the Period Ending on 31-12-2022
6	22-03-2023	Al Kathiri Holding Co. Announces conducting a conference call to present the financial results for the fiscal year 2022 with the presence of financial analysts and representatives of investment entities
7	22-03-2023	Al Kathiri Holding Co. announces to Invites its Shareholders to Attend the ( First Meeting ) Extraordinary General Assembly Meeting
8	23-03-2023	Addendum Announcement from Al Kathiri Holding Co. in regards to Al Kathiri Holding Co. announces to Invites its Shareholders to Attend the ( First Meeting ) Extraordinary General Assembly Meeting
9	30-03-2023	Al Kathiri Holding Co. announces the completion of the offering of Series One of the Sukuk Issuance Programme through Sukuk Al Kathiri (SPE)
10	13-04-2023	Al Kathiri Holding Co. Announces the Results of the Extraordinary General Assembly Meeting, (Second Meeting )
11	17-04-2023	Alkathiri Holding Company announcement of the board of directors' decision to appoint the chairman and vice-chairman and formation of committees
12	21-05-2023	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 31-03-2023 ( Three Months )
13	14-08-2023	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 30-06-2023 ( Six Months )
14	01-10-2023	Al-Kathiri Holding Company announces the distribution date for the proceeds of Sukuk AlKathiri Series 1
15	29-10-2023	Al-Kathiri Holding Company announces the approval of the Board of Directors to establish a 100% owned subsidiary with limited liability
16	06-11-2023	Al Kathiri Holding Co. announces its Interim Financial Results for the Period Ending on 30-09-2023 ( Nine Months )



## Chapter Five:

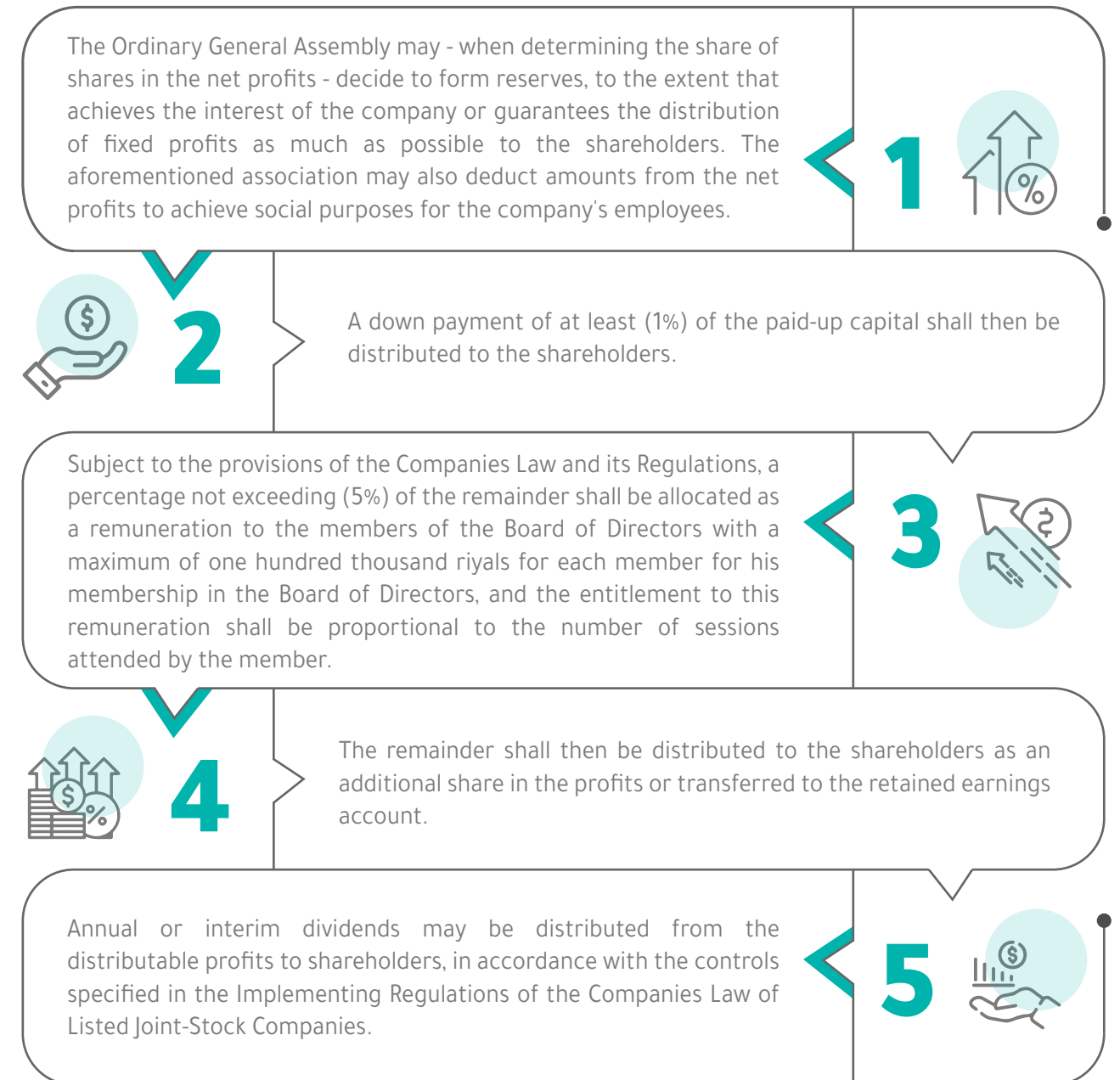
# Profit Distribution and The Board of Directors Recommendations



### 1st: profit distribution policy

In accordance with the provisions of the Company's Articles of Association (Article 43), the company's annual net profit distribution policy shall be as follows

**The company's profits are distributed as follows:**





**2nd: profit entitlement**

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the maturity date and the date of distribution. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for maturity. The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to shareholders within the period specified in the Implementing Regulations of the Companies Law for Listed Joint-Stock Companies.

**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 31-12-2023**

No dividends were distributed to shareholders of Al Kathiri Holding during the year 2023. However, the company distributed the first returns of Sukuk Al Kathiri's 5015 (Special Purpose Entity - Al Kathiri is the sponsor) for the six-month period ending on September 30, 2023

**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 31-12-2023 , as well as the financial statements, proposes the following:

**01**

Voting on the external auditor report for the financial year ended on 31 December 2023G, after discussing it.

**03**

View and discuss the Company's annual board report for the financial year ended on 31 December 2023G

**02**

View and discuss the Company's financial statements for the financial year ended on 31 December 2023G

**04**

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 2023

### 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 2023 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.

## 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.

