



طيبة للاستثمار
TAIBA INVESTMENTS

2022

Board of Directors Report

Of Thirty-third fiscal year





CONTENTS TABLE



10

Chairman
Message

12

About
The Company

30

The Business
Sectors

48

Governance

68

Financial
Statements &
Business Results

Taiba Company has achieved a remarkable development over the past three decades until it became one of the greatest real estate developers in the Kingdom of Saudi Arabia.



Dear Esteemed Shareholders of
Taiba Investments Company

May the peace, blessings, and mercy of God be upon you

By the end of the thirty-third financial year of Taiba Investments, it is the Board of Directors' pleasure to present to you its annual report on Taiba's business and subsidiaries, in accordance with the audited financial statements and related notes of the financial year ending on 07/06/1444 H, corresponding to 31/12/2022 G. The Board of Directors of Taiba Investments confirms that the Board of Directors' report and the financial statements comply with the governance regulations issued by the Capital Market Authority and the requirements of the Regulations issued by the competent authorities.

Board of Directors



We Are Looking Ahead

Respectful Sirs, Shareholders of Taiba Investments Company

From the main orientations of Taiba Company for the next five years, one of the most important items of which is enhancing investment mechanisms to achieve the targeted growth rates for Taiba, which will make it, at the forefront of companies keeping pace with the great economic movement witnessed by the Kingdom of Saudi Arabia in all fields, in conjunction with the activities and initiatives of the Kingdom's Vision 2030, we summarize the achieved orientations during 2022 as the following:

I: Taiba has acquired, in whole or in part, companies in the same field of its activities and business. The following has been done in this regard:

- Taiba signed a memorandum of understanding for the merger transaction with Dur Hospitality Company, which will achieve—if its procedures are completed—several interests for the both companies and the shareholders of both, as this will result in the integration of the activities, investments and businesses of the two companies through benefiting from the components, capabilities and assets of each, and this will be reflected in the existing investments of the Taiba Company, as well as the new hotel projects that are being implemented and creating a strong entity with solvency and a solid financial position that has qualified expertise and competencies able to compete and gain a wide market share in the field of hospitality and the hotel industry in the main cities of Saudi Arabia in accordance with the aspirations and directions of the market. It is worth noting that Dur Hospitality Company is one of the major companies in the hospitality and hotel industry sector and have well-known hotel brands with a wide spread in the cities of the Saudi Arabia that are witnessing a growing demand for this sector.

- Taiba purchases the shares owned by the Savola Group Company in the Knowledge Economic City Company, which operates in Madinah and works on developing qualitative projects in its owned lands in the fields of commercial centers, hotels, villas and housing units.

II. Direct purchase of income-generating assets, as Taiba purchased the Deem Plaza complex in Riyadh to achieve direct rental returns, enhancing the company's revenues.

It is confirming the company's directions to focus on real estate development and investment with various real estate products and investments that contribute to enhancing the market share of Taiba

in Madinah with expansion and spread within Saudi Arabia.

Taiba overcame during 2022 the conditions caused by the Corona pandemic, which negatively affected the operating revenues of the company during the past two years, as the financial results for this year indicate, and as a result of the return of normal conditions to the company's activity, which reflected positively on the operational revenues in hotels and commercial centers, due to the increasing number of visitors and pilgrims inside and outside Saudi Arabia. A net profit of 139,57 million riyals was achieved, compared to a net loss of (117,3) million riyals for the fiscal year 2021.

Taiba also continued the following, according to the indicated in this report:

- Implementing its hotel projects according to approved schedules.
- Exiting from some companies whose activities are not consistent with the main activity of Taiba.
- Implementing its wide and diverse initiatives in the field of social responsibility in accordance with the approved programmes.

In conclusion, I am speechless to express my sincere thanks and appreciation to our wise leadership for their continuous support to our national economy. I also thank the shareholders of Taiba for their confidence and support in Taiba. Thanks also to my fellow members of the Board of Directors and employees of the company for their commendable efforts to achieve our aspired ambition, and we affirm continuation of those efforts to continue the progresstional successes of Taiba during the past three decades of the company age.

Dr. Walid Bin Muhammad Al-Issa
Chairman

1

About the Company

[1.1](#) Members of the Board of Directors

[1.2](#) Incorporation and legal entity

[1.3](#) Registered Capital

[1.4](#) Main Activities

[1.5](#) Strategic Orientation

[1.6](#) Organizational Chart

[1.7](#) Eexecutive Management Team

[1.8](#) Critical Events

[1.9](#) Social Responsibility

[1.10](#) Participations & Work Environment

1.1 Members of the Board of Directors



Dr. Walid Bin Muhammad Al-Issa
Chairman



Eng. Anas bin Muhammad Salih Serafi
Deputy Chairman



Mr. Basil bin Muhammad bin Jaber
Board Member



Mr. Ghassan bin Yasser Shalabi
Board Member



Mr. Firas bin Salahuddin Al Qurashi
Board Member
Representative of the Public Investment Fund



Dr. Badr bin Hammoud Al-Badr
Board Member



Mr. Eid bin Faleh Al-Shamry
Board Member



**Eng. Muhammad bin Abdul
Mohsen Al-Qurainis**
Board Member



Eng. Muhannad bin Qusay Al-Azzawi
Board Member

1.2 Incorporation and legal entity

Taiba Investments Company was established as a joint stock company registered by a Royal Decree No. (M/41), dated 16/06/1408 H, and its incorporation was declared under the decision of His Excellency the Minister of Commerce No. (134), dated 13/02/1409 H corresponding to 24/09/1988 G. The company was registered under the commercial register no. (4650012403), dated 10/04/1409 H.

1.3 Registered Capital



Foundation

1409 H, 1988 G



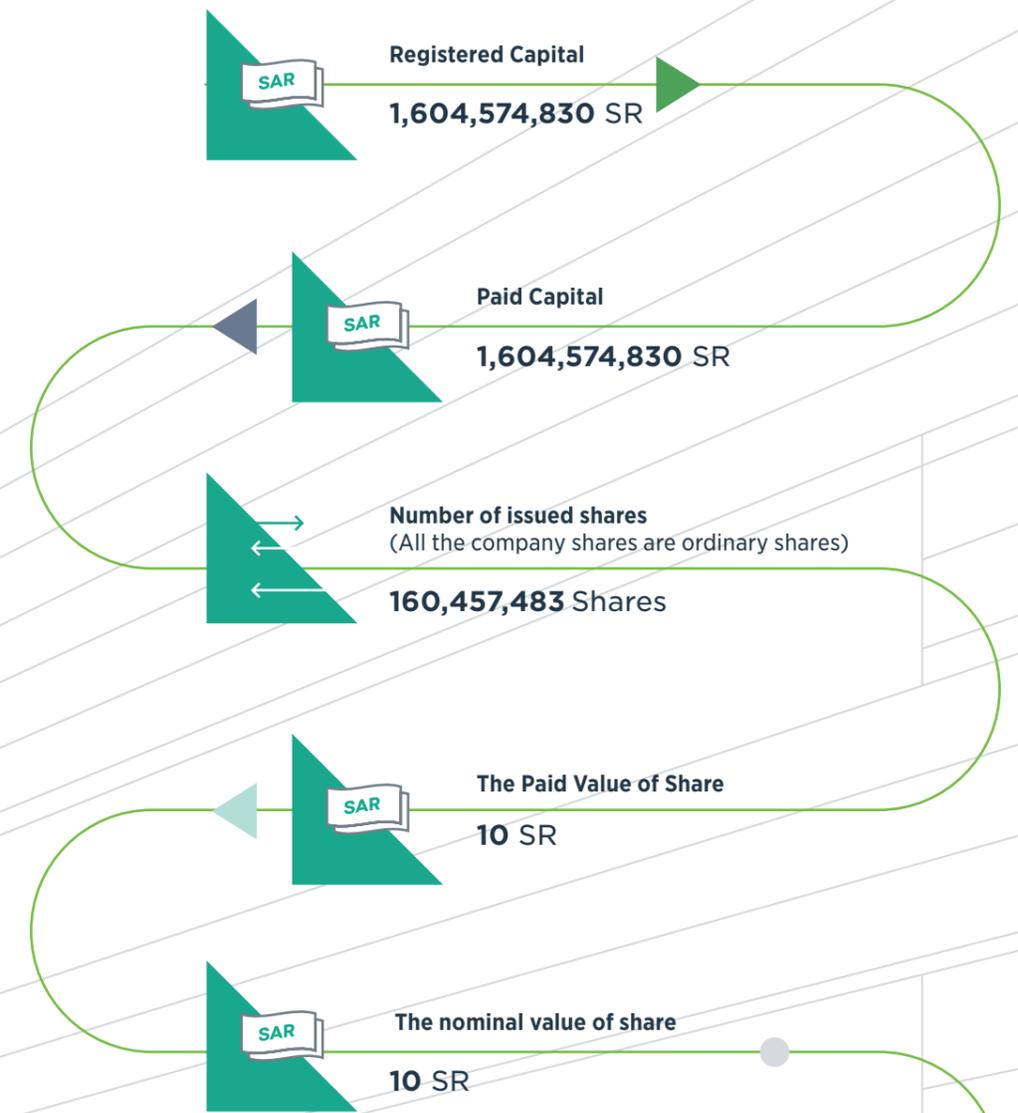
Vision

To be a leading company in investment and real estate development



Mission

To abide with real estate investment and development achieving a fair and sustainable return for shareholders, and to develop employees.

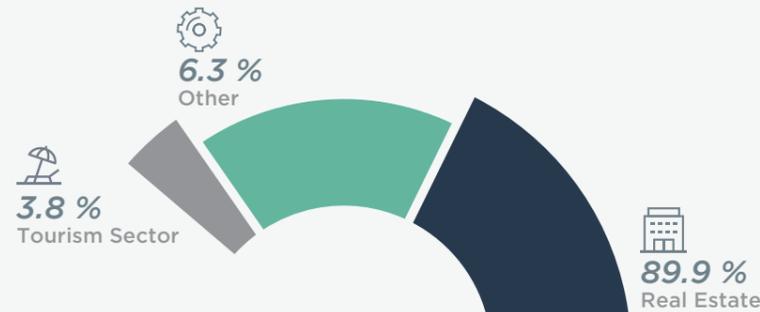


1.4 Main Activities

Taiba Compny is currently engaged in many activities through diverse investment in a number of sectors by a number of subsidiaries (Taiba owns 50% and more of their capital) and associates (Taiba owns 20% and less than 50% of their capital) and investments in equity instruments that are not held for trading (Taiba sharehold less than 20% of their capital).

In conjunction with Taiba's persistent effort to achieve its strategic orientation by focusing on real estate investment and development, Taiba will continue to exit from its investments that do not comply with this orientation.

The amounts of the cost of Taiba's investments in the various investment sectors are indicated as the following:



Taiba's investments in various investment sectors

	Number of subsidiaries and affiliates for each sector	Amount of Taiba's investments cost in Saudi riyals	Taiba's investments in each sector (%)
Real Estate	7 Companies	2,257,316,512	89.9 %
Tourism	3 Companies	95,691,110	3.8 %
Others	3 Companies	157,324,926	6.3 %
Total	13 Companies	2,510,332,548	100 %

1.5 Strategic Orientation

Considering the changes that took place in the real estate investment and development sector market, the risks and challenges facing the company internally and externally, and the increasing competition between real estate development companies and the related challenges, the Board of Directors of Taibah approved the main orientations of the company for the next five years until 2026, the most important of which are the following:

1

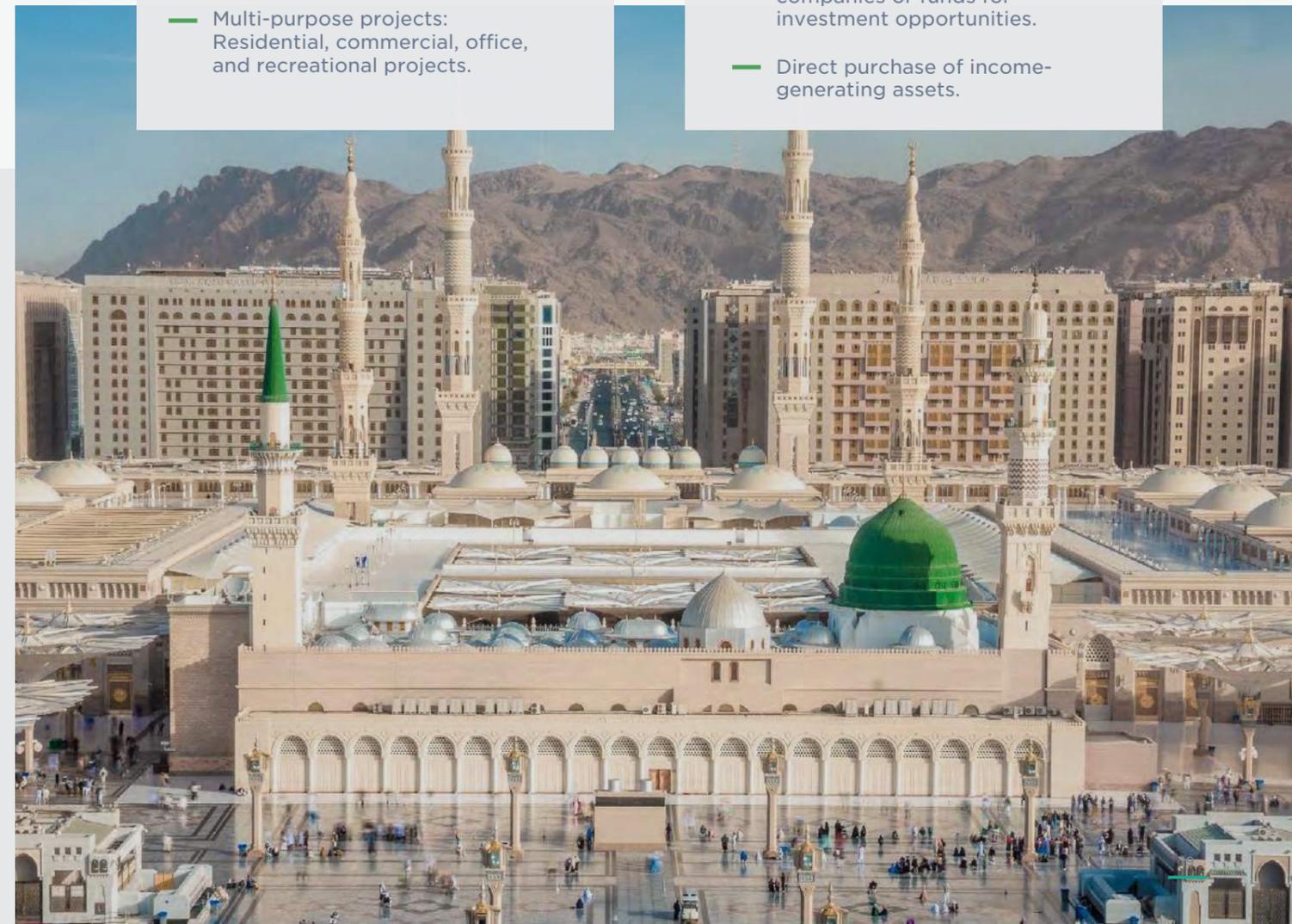
Taiba Company continues to be a real estate investment and development company in Medina Al Munawwarah and to expand in regions of the Kingdom of Saudi Arabia through the following:

- Various real estate activities in the sector of hospitality, hotels, and residential compounds.
- Multi-purpose projects: Residential, commercial, office, and recreational projects.

2

Promoting investment mechanisms to achieve the targeted growth rates according to specific controls through:

- Acquisition of companies, in whole or in partial, in the same field of activities and business.
- Partnerships with real estate companies or funds for investment opportunities.
- Direct purchase of income-generating assets.



1.6 Organizational Chart



1.7 Names of the executive management team, their current and previous positions, and their qualifications:



Eng. Saleh bin Habdan Al-Habdan
CEO
Master's Degree in Industrial Engineering
Joining date 2019

Qualification

His experience varied during the past thirty years, beginning by working for the Advanced Electronics Company for eight years in the field of production planning and control management, then working in the Business Development and Project Management Department. He also worked for seven years as Executive vice chairman of TDP Company, which operates in the electricity generation and transmission sector. He was also appointed for 12 years as CEO of Sercon General Contracting Company.



Mr. Ayman bin Hamza Saeed
Vice President for Strategy & Transformation,
Acting Vice chairman for Financial Affairs and
Secretary of the Board of Directors
Bachelor of Accounting
Joining date 1992

Qualification

He spent more than thirty years in Taiba, during which he was appointed to many leading positions, and he has multiple experiences in the fields of investment, fund, management, governance and finance.



Mr. Hussam bin Hussain Abu Al-Tahir
Director of Real Estate Investments
Department
Bachelor of Business Administration
Joining date 2018

Qualification

He has more than 20 years of experience in the field of real estate investment, where he held several management positions in prestigious international and local companies such as the SEDCO Group, Dubai Holding Group, and the Savola Group.



Mr. Osama bin Abdullah Madani
Director of Support Services Department
Bachelor of Business Administration
Joining date 2021

Qualification

He has a long professional experience in strategic positions in the field of human resources in each of the fields of technology, engineering and construction in addition to industry, finance and law, in addition to his experience in strategic planning for human resources, performance management, recruitment, motivation programs, training and organization development, and developing programs to deal with talent development, and he also worked for ten years in Saudi Aramco.



Mr. Abdul Mohsen bin Abdulaziz Al-Shadi
Director of the Legal Affairs
Department, as of 01/08/2022
Master degree in Law
Joining date 01/08/2022

Qualification

He has more than thirteen years of experience in the field of law and legal advice and has provided his services in a number of areas, including business services and solutions and models, transformation operations, corporate business and supplier contracts, commercial deals, partnership contracts of all kinds, investment contracts and mergers and acquisitions. He holds a number of professional certificates in the field of law, management and change. He worked in several different sectors (law, transportation, digital solutions and information technology, business services and solutions).



Dr. Nizar Abdel Aziz Al-Malakh
Director of the Internal Audit Department
Master of Accounting – Certified Public Accountant – Certified Internal Auditor in Risk Management Assurance
Joining date 2017

Qualification

He has international experience for more than twenty years in leading positions and companies qualified him to be an expert in the field of auditing and finance (Certified Accountant Expert-Certified Internal Auditor-Certified in Risk Management Assurance) in various fields and sectors, including petrochemicals, real estate and investment.



Eng. Malik Omran Salhab
Director of Project Management
Bachelor's Degree in Civil Engineering
Joining date 2019

Qualification

He has professional experience for more than 28 years in the field of general contracting, project management, engineering affairs management and business development. He held positions in his professional life, the most important of which is the General Manager of the Project Management Office of the Ministry of Finance in Makkah Al-Mukarramah. He also worked as a senior project manager with Nesma and Partners to establish the Hilton Convention Hotel in Makkah. Al-Mukarramah, as well as working as a senior project manager with Damac International, in addition to his achievements in several major and vital projects.



Mr. Suhail bin Muhammad Al-Ali
Director of Hotel Investments Department
until his resignation 11/15/2022

1.8 Critical Events

Merging With Dur Company

Taiba has entered into a non-binding memorandum of understanding with Dur Hospitality Company in relation to a potential securities swap transaction including a non-binding agreement to carry out the potential transaction through a share swap offer made by Taiba Investments Company (as the offerer) to the shareholders of Dur (as the offeree company), for the purpose of owning all the issued shares in Dur Company, and this will be in return for issuing new shares in Taiba Investments Company to the shareholders of Dur Company, in addition to the condition of obtaining all the necessary statutory approvals and the approval of the extraordinary general assembly of both companies on the transaction and its related issues. Therefore conclusion of the memorandum of understanding does not necessarily mean that the two parties will have a final and binding agreement regarding the potential transaction or that the potential transaction will take place.



Share Purchase Transaction



In light of Taiba's strategic orientation to focus on real estate investment and development, which one of its tools is to contribute to companies with real estate purposes, Taiba Company has completed the procedures for purchasing all the direct and indirect shares and stocks owned by the Savola Group Company in the Knowledge Economic City Company, as well as the Knowledge City Developers Company (a liability company Limited) at a total value of (459,256,000) riyals.

Sign Contracts

According to the approved plan of implementing hotel projects of Taiba, the main contractor works for each of the Sheraton Taiba Hotel and the Novotel Madinah Hotel have been awarded. Taiba previously signed operating contracts with the largest international companies in the field of hospitality and hotels.

Buy a Mall



For the purposes of expansion and diversity of the company's investments, the Deem Plaza commercial center was purchased in Riyadh, which is located on King Abdullah Road, Al-Hamra district, on a land area of 16,517m².

1.9 Social Responsibility

In 2022, Taiba Company continued to implement several social responsibility initiatives that serve Madinah community, including:

A. Human Charitable Activities:

Down Syndrome Day 2

Where the occupational therapy department was established and equipped with the latest educational and educational devices and games that enable children with Down syndrome to master motor and intellectual skills.

Taiba Ramadan Basket 2

Provides and distributes food baskets to the needy in the blessed month of Ramadan by Taiba employees.

Eid is Joy 2

Provides the needs of the beneficiaries of the city's anti-beggary office for Eid Al-Fitr.

Seventh Neighbor 2

Distributing electrical appliances to needy and needy families in Medina and neighboring villages.

Blest House 2

Restoring a number of homes of needy and needy families in Madinah and its neighboring villages.

Ahyaha 2

pays the remaining amounts of cancer patients' operations in cooperation with the "Ahyaha" Association.

Fulfilling A Wish 2

Presenting gifts to children and adults fighting cancer, in cooperation with the Ahyaha Association for Cancer Patients.

Taiba Winter 3

Distributing winter clothing by the employees of Taiba to needy families in the poor neighborhoods of Madinah.

Visitor's Gift 2

Distributing gifts to pilgrims and Umrah performers with the participation of Taiba employees during the Hajj season.

B. Educational and Scientific Activities:

Let's Enable Them

To empower 25 talented secondary school students with 21st century skills through training programs implemented by the Saudi Electronic University supervised by the Taiba Endowment for Knowledge.

Taiba Scholarship

To support a number of undergraduate students from Prince Muqrin University

The Best of You is Who Learns The Qur'an

A competition for memorizing, reciting and interpreting the Holy Qur'an for employees of government departments in Madinah.

To Build Generations

Continuous support for establishment of a study unit at Madinah Academy (MADAC).

C. Health Activities:

We Have Not Forgotten You

Providing the supplies and needs of medical devices for the nursing home.

Reward and Wellness

Providing two dialysis machines for the Taiba Charitable Dialysis Center.

D. General Societal Activities:

People's Gathering

To perform recreational activities in 6 neighborhoods of Madinah, with the aim of building bridges of communication between the residents of the neighborhood through a variety of events and activities.

Innovation Challenge

Training 60 trainees under the Craft Innovation Challenge Program to create opportunities for them through sales outlets.

Documentary film

For the activities and initiatives of Taiba Investment co in the field of social responsibility.



Scan code to watch movie



1.10 Participations & Work Environment:

Participation in forums and exhibitions:

• His Excellency the CEO of Taiba, Eng. Saleh bin Habdan Al-Habdan, participated in the opening session of Madinah Projects Exhibition (MEDEX 2022) during December 2022 in its first edition, in which he shed light on the upcoming huge development renaissance in the region and its impact on investment opportunities, which constitutes a great incentive for Taiba to enhance its role as the largest developers in Madinah. It is worth noting that the exhibition is sponsored by His Highness, Prince of Madinah Al-Munawwarah region, and Taiba participated in an introductory suite.

• Taiba was honored for its participation as a golden sponsor in the twenty-first Scientific Forum for Hajj, Umrah and Visit Research, which was held at the King Salman International Conference Center in Madinah in March 2022.

• Participation during March 2022 in the Hajj and Umrah services conference and exhibition organized by the Ministry of Hajj and Umrah in "Jeddah Superdome" entitled "Transformation towards Innovation", in cooperation with the "Guests of Rahman Service" program, which is "one of the Saudi Vision 2030 executive programs."

• Participation during September 2022 in the Future Hospitality Conference held in Dubai with participation of all international companies that contribute to the development of hotel investment and discussing the available methods for developing future hospitality.

• Al-Aqeeq Hotels were honored by His Excellency the Minister of Hajj and Umrah, Dr. Tawfiq Al-Rabiah, at the #UmrahConnect 2022 B2B Focus event organized by CBHUK in London as a key partner in the success of the event, when participation during November 2022 in the World Travel Market exhibition

that London hosts annually. This exhibition is considered one of the most important tourism exhibitions in the world, where more than 50 thousand visitors from the companies working in tourism and hospitality sector visit the exhibition every year.



Due to the importance of being present in international forums that deal with Hajj and Umrah in the largest markets in Islamic countries, Taiba participated in the following:

• On February 2022, Taiba participates in the International Forum for Tourist Program Services, Hotels and Umrah Performers Services in the Arab Republic of Egypt.

• On August 2022, Taiba participates in the Umrah, Hajj and Tourism Forum in both the Republic of Malaysia and the Republic of Indonesia, where the largest number of companies specialized in this field visited and agreements were signed for the Umrah season 1444 H, contributing to raising the occupancy rates of hotels in a positive and noticeable way compared to the situation before the Corona pandemic.



The percentage of resettlement
51%
Total of employees

Human Resources

For the purpose of raising the efficiency and enhancing the effectiveness of the cognitive and professional capabilities of the company's staff, their enrollment in training programs and courses has been reactivated after they were suspended due to the Corona pandemic crisis.

Many group activities were carried out for the employees, including:

- Participation of non-Saudi employees of Taiba in celebrating the national days of their countries.
- Giving an educational lecture on diabetes, its symptoms and treatment methods, in cooperation with the Madinah Charitable Association for Diabetes.
- In cooperation with Friends of Blood Banks Association in Madinah Al-Munawwarah, a blood donation campaign was organized in conjunction with the International Blood Donation Day.
- Organizing a competition between male and female employees of the company, titled "The Organized Office" to encourage their best ideas in this field.
- With the aim of cultivating a culture of self-reliance in children, the company has organized (Tiba Children's Bazaar), which is a mini-market in which the children of the company's employees depend on themselves in buying and selling.



2

Business Sectors

2.1 The Business Sectors

2.2 Description of The Main Activities for subsidiaries and affiliate companies

2.3 Real Estate Projects Owned by Taiba Investments Co.

2.4 Company's Projects

2.1 The Business Sectors

Real Estate Sector

Taiba Company has investments of varying proportions in a number of companies working in the real estate sector, with a total cost of (2,257,316,512) riyals, i.e, (89,9%) of Taiba's total investments, as the following:

Company Name	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
Al Aqeeq Real Estate Development Co, Sole corporation limited liability compan	Saudi Arabia	Real estate and hotels	1,500,000,000	150,000,000	1,500,000,000	150,000,000	100,00 %
Makkah Construction & Development Co, Registered joint stock company	Saudi Arabia	Real estate and hotels	1,648,162,400	164,816,240	98,806,600	1,186,581	0,72 %
Knowledge Economic City Co, A limited liability company	Saudi Arabia	Real estate and services	3,393,000,000	339,300,000	364,896,000	32,580,000	9,60 %
Al-Sirah City Real Estate Development Co, A limited liability company	Saudi Arabia	Real estate	20,000,000	200,000	4,000,000	40,000	20,00 %
Kinan International Real Estate Development Co, Closed shareholding company	Saudi Arabia	Real estate	1,200,000,000	120,000,000	29,863,912	2,798,030	2,33 %
Knowledge Economic City Developers Co, A limited liability company	Saudi Arabia	Real estate	830,000,000	83,000,000	258,750,000	29,100,000	35,06 %
Tawd Real Estate Management and Marketing Co, (Tawd) A limited liability company	Saudi Arabia	Management & marketing of real estate	1,000,000	100,000	1,000,000	100,000	100 %

Tourism Sector

Taiba has investments of varying proportions in tourism sector companies, with a total cost of (95,691,110) riyals, at (3,8%) of Taiba's total investments, as the following:

Company Name	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
Arab Resort Areas Company (ARAC) (*) Closed shareholding company	Saudi Arabia	Hotels and Tourism	20,000,000	2,000,000	19,991,110	1,999,111	99,96 %
Saudi Heritage Hospitality Company (Nuzul) Closed shareholding company	Saudi Arabia	Hotels and Tourism	250,000,000	25,000,000	75,000,000(**)	7,500,000	30,00 %
Al-Madinah Airport Hotel Company Closed shareholding company	Saudi Arabia	Hotels	2,100,000	210,000	700,000	70,000	33,33 %

(*) The voluntary liquidation of the company was approved in accordance with the decision of the Fourteenth Extraordinary Assembly of ARAC Shareholders held on 27/06/2022, Sirs, / Dr. Muhammad Al-Omari and Partners - Certified Public Accountants and Auditors were appointed as a liquidator for the company in accordance with the provisions of the Companies Law.

(**) The actual payment of Taiba's share until the end of 2022 is (25%) of the capital amounting (18,750,000) riyals, and the company is under liquidation.

Others

Taiba has investments of varying proportions in the companies shown in the table below, with a total cost of (157,324,926) riyals, i.e, (6,3%) of Taiba's total investments, as the following:

Company Name	Place of Incorporation/ Permanent HQ	Main Business Activity	Company Capital (SAR)	Total Shares	Taiba Cost of Investment (SAR)	Taiba Shares	Taiba Shares (%)
SABIC Agro-Nutrients Company (*) Registered joint stock company	Saudi Arabia	Industry	4,760,354,040	476,035,404	126,424,926	1,216,209	0,25 %
Taiba Agricultural Development Company (TADEC) (**) A limited liability company	Saudi Arabia	Agriculture	50,000,000	500,000	27,400,000	274,000	54,80 %
Al Madinah Dates Co, (Tomoor) (***) A limited liability company	Saudi Arabia	Industry	10,000,000	100	3,500,000	35	35,00 %

(*) In 2022, the sale of shares owned by Taiba Company continued in SABIC Agricultural Nutrients Company, Accordingly, a number of 948,000 shares were sold, and as a result, net profits amounted to be 80 million Saudi riyals, which were recognized directly in the retained profits.

(**) The thirty-sixth partners' assembly of Taiba Agricultural Development Company - TADC, held on June 21, 2022, decided to approve the recommendation of the company's board of directors to be liquidated, and the necessary procedures are currently being completed in accordance with the provisions of the Companies Law.

(***) In 6/28/2022,, Taiba share was sold to one of the partners in the Tomoor Company.

Activity Contribution to Total Revenue:

The following figure shows the size of each activity of Taiba, which is practiced through investing in a number of sectors, their geographical distribution, and their contribution to the total revenues of Taiba for the fiscal year 2022:

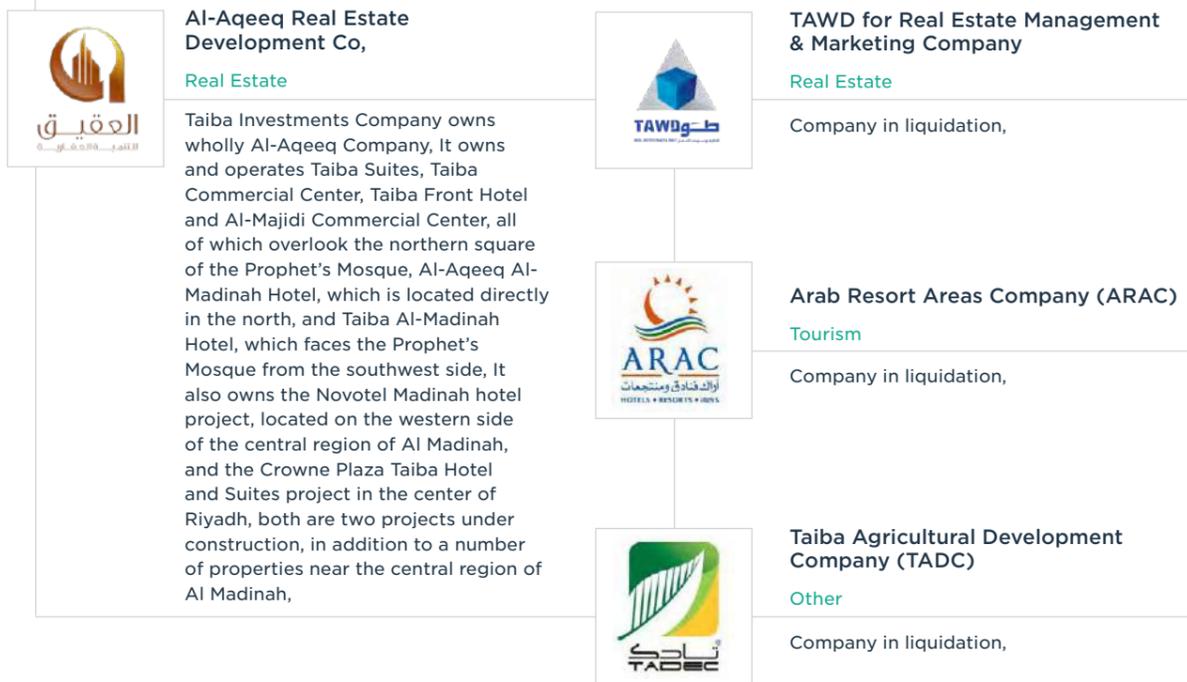


*Revenues have been disclosed according to the classification of sectors in the financial statements

Taiba Investments Company does not have investments outside the Kingdom,

2.2 Description of the main activities of subsidiaries and associates:

1 Description of The Main Activities of The Subsidiaries:



2 Description of The Main Activities of The Associates:



3 Description of the main activities of Taiba investments in equity instruments that are not held for trading:



2.3 Real Estate Projects Owned by Taiba Investments Company, its Subsidiaries & Associates:

Taiba Suites Madinah

Owner
Al Aqeeq Real Estate Development Company

Residential Part:
Operator: self-operation

138
Number of owned apartments

Location
Al-Madinah Al-Munawarah
Overlooking the northern square of the Prophet's Mosque

227
Number of commercial units



Taiba Front Hotel

Owner
Al Aqeeq Real Estate Development Company

Residential Part:
Operator: self-operation

630
Number of rooms and suites

Location
Al-Madinah Al-Munawarah
Overlooking the northern square of the Prophet's Mosque

56
Number of commercial units



Al-Aqeeq Madinah Hotel

Owner
Al Aqeeq Real Estate Development Company

Residential Part:
Operator: self-operation

505
Number of rooms and suites

Location
Al-Madinah Al-Munawarah
The northern side of the Prophet's Mosque

1
Number of restaurants

39
Number of commercial units

2
Number of meeting and celebration hall



Millennium Madinah Airport Hotel

Owner
Madinah Airport Hotel Company

Residential Part:
Millennium Hotels Company

227
Number of rooms and suites

Location
Al-Madinah Al-Munawarah
King Salman Road inside the campus of Prince Muhammad bin Abdulaziz Airport

1
Number of restaurants

4
Number of meeting and celebration hall



Taiba Madinah Hotel

Owner
Al Aqeeq Real Estate Development Company

Residential Part:
Operator: self-operation

208
Number of rooms and suites

Location
Al-Madinah Al-Munawarah
The south-west side of the Prophet's Mosque

1
Number of restaurants

21
Number of commercial units

2
Number of meeting and celebration hall



Deem Plaza Mall

Owner
Taiba Investments Company

72
Number of commercial units

Location
Riyadh
Al-Hamra district-King Abdullah Road

589
Number of car parks

4
Number of floors including the basement for car parking



Dar Al-Kawthar Hotel

Owner
Taiba Investments Company

Residential Part:
Dar Al-Eman Trading Co,

150
Number of rooms and suites

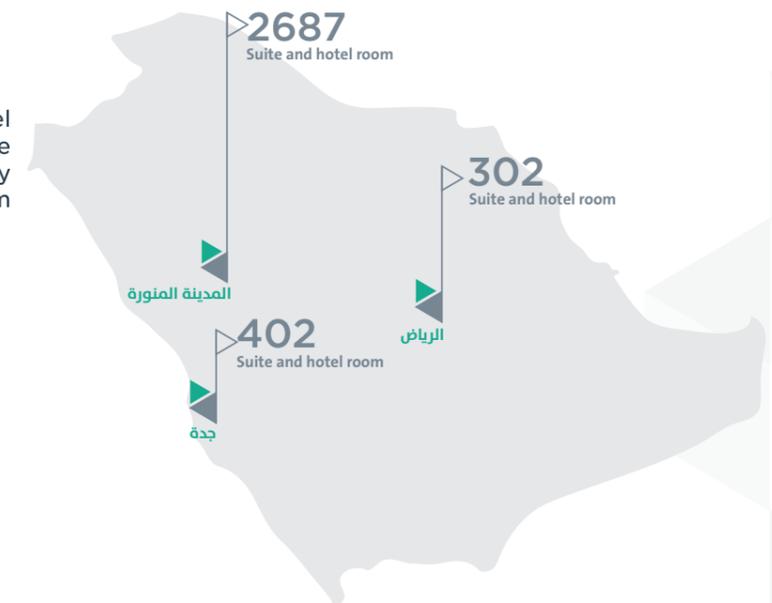
Location
Al-Madinah Al-Munawarah
The western side of the Prophet's Mosque

1
Number of restaurants

3
Number of commercial units



The current and targeted hotel rooms and suites through the hotel projects of Taibah Company in various regions of the Kingdom



2.4 Company's Project:

Taiba is currently establishing and developing a number of real estate projects such as hotel rooms and suites and commercial centers, The most prominent businesses are the following projects:

1 Hotel Project Sheraton Taiba, Madinah

Class	Land Area	Components of The Project:
5 Stars	2,005 m ²	The fourth quarter of 2025,

Location
Al-Madinah Al-Munawarah
 On the northern side of the central region of the Prophet's Mosque,

Components of the project:
 Two towers standing on two opposite lands, The two towers consist of (21) floors including (435) hotel suites and rooms, They are connected by a flyover on the eleventh to the thirteenth floors, in addition to a central restaurant and many commercial fairs.



2 Hotel Project Madinah Novotel

Class	Land Area	Components of The Project:
4 Stars	1,822 m ²	The fourth quarter of 2025,

Location
Al-Madinah Al-Munawarah
 On the western side of the central region of the Prophet's Mosque,

Components of the project:
 A hotel building consists of (18) floors including (394) hotel suites and rooms, in addition to a central restaurant and commercial fairs.



2.4 Company's Project:

3 Hotel & Suites Project Crowne Plaza Taiba Riyadh

Class	Land Area	Components of The Project:
4 Stars	11,073 m ²	The first quarter of 2025,

Location

Riyadh

Olaya district at the intersection of Makkah Al-Mukarramah Road and Al-Takhasosi Road

Components of the project:

A hotel building consists of (18) floors including (302) hotel apartments and rooms, as well as a commercial complex on the ground and first floors, The hotel also contains recreational hotel services.



4 Hotel & Suites Project Doubletree by Hilton

Class	Land Area	Components of The Project:
4 Stars	9,585 m ²	The third quarter of 2027

Location

Jeddah

In the east of Al-Andalus Road, Al-Ruwais District, next to Al-Alam Square

Components of the project:

A hotel building consists of (38) floors including (402) hotel apartments and rooms in addition to restaurants and many recreational services.



2.4 Company's Project:

5 Development Project: Taiba Suites Madinah

Class | Components of The Project:
4 Stars | **The first quarter of 2023**

Location
Al-Madinah Al-Munawarah
 Overlooking the northern side of the Prophet's Mosque

Components of the project:
 Suites owned by Al-Aqeeq Company in the center are being developed, in addition to the electromechanical businesses are being developed for the entire building and the corridors of the repeated floors.



6 complex project to provide Logistics Services for Hotels

Land Area | Components of The Project:
55,677 m² | **The first quarter of 2024**

Location
Al-Madinah Al-Munawarah
 Abi Kabir region in Hamra al-Assad, southwest of Al Madinah AlMunawarrah,

Components of the project:
 It is a complex to provide logistical services for Taiba hotels and other hotels operating in Al Madinah AlMunawarrah, consisting of (residential buildings for workers, a central laundry, a central kitchen, smart stores, as well as an administrative building).



2.4 The Company's Project:

7 Project of Commercial Mall

Land Area
10,154 m²

Components of The Project:
The second quarter of 2024

Location

Al-Khobar

Corniche District, Al-Fawzan Circle, Intersection of Prince Turki Street with King Faisal Road,

Components of the project:

It is a commercial mall consisting of three main buildings, each building includes three large restaurants, in addition to a number of parking spaces, seats, and external services.



8 Project of Very versatile

Land Area
46,382 m²

Location

Al-Madinah Al-Munawarah

South of King Abdullah Ring Road near Sayed Al Shuhada Feild

Components of the project:

Design in process.



3

Governance

3.1 Names, Classification Qualifications, Experience, and Membership of The Board of Directors in The Board Committees

3.2 Remunerations of Board Members, Senior Executives and Committees' Members

3.3 Board Meetings

3.4 Remunerations of Board Members, Senior Executives and Committee Members

3.5 Board Committees

3.6 Disclosure of the applied and non-applied corporate governance regulations and and the reasons

3.7 A statement of the meeting dates of the general assemblies of shareholders during the fiscal 2022

3.8 Interests of Taiba Activities and Dealings With Related Parties

3.9 Declarations

3.1 Names, Classification Qualifications, Experience, and Membership of The Board of Directors in The Board Committees:

Dr. Walid bin Muhammad Al-Issa Non-executive – PhD in Accounting	Board Committees' Membership	<ul style="list-style-type: none"> Chairman of the Social Responsibility Committee. Member of the Rewards and Nominations Committee
	Current Roles	<ul style="list-style-type: none"> Deputy Chairman of Board Director & Managing Director - Assila Investment Company.
	Previous Roles	<ul style="list-style-type: none"> Chief Investment Officer - Assila Investment Company. Associate Professor of Accounting - Graduate School of Management, Paris, France.
	Experiences	<ul style="list-style-type: none"> Participating in implementing many university scientific research and teaching in international universities. Assistant Professor of Accounting at the Graduate School of Administrative Studies in Paris, France. Having a membership of several boards of directors of joint stock companies. Experience in investment and real estate development.

Eng. Anas bin Muhammad Salih Serafi Non-executive – Bachelor of Architecture	Board Committees' Membership	<ul style="list-style-type: none"> Member of the Social Responsibility Committee. Member of the projects committee
	Current Roles	<ul style="list-style-type: none"> CEO of Al-Salehat Holding Company (Saleh Hamza Serafi Group for Trading and Business)
	Previous Roles	—
	Experiences	<ul style="list-style-type: none"> Founder and head of the Office of Building Consulting Engineering. Member of the Founding Committee of Al Bilad Bank. Chairman of the Executive Committee of the Saudi Society for the Sciences of Urbanism Jeddah branch. A member of the Saudi Council of Engineers with the degree of (consultant) and an arbitrator approved by the Council, category (A).

Mr. Basil bin Muhammad bin Jabr Independent – Master of Business Administration	Board Committees' Membership	<ul style="list-style-type: none"> Chairman of the Remuneration and Nominations Committee. Member of the projects committee. Member of the Integration Committee until 11/03/2022
	Current Roles	Investment Advisor
	Previous Roles	<ul style="list-style-type: none"> CEO-HTDC Company, Saudi Binladin Company. Chief Executive Officer of Al-Subaie Investment Company (MSIC) Chief Executive Officer of the Saudi Arabian Interactive Company. CEO of Malaz Technical Investment Company. Secretary General of the Standing Committee for Electronic Commerce-Ministry of Commerce
	Experiences	He held previous leading positions in the field of business development and investment in many companies and participates in the membership of many companies' boards of directors.

Dr. Badr bin Hammoud Al-Badr Independent – PhD in Computer Science Engineering	Board Committees' Membership	Member of the Investment Committee
	Current Roles	CEO of the Mohammed bin Salman Foundation «Misk»
	Previous Roles	<ul style="list-style-type: none"> CEO of Dur Hospitality Company. General Manager of Cisco Saudi Arabia. Managing Director of Smart Communities and Cities - Asia and Africa CEO of a digital company. Chief Executive Officer of Awal Net
	Experiences	He held previous leading positions in the sectors of technology, hospitality and real estate investment, in addition to his current position (Chief Executive Officer of the Mohammed bin Salman Foundation «Misk») and participates in the membership of several boards of directors of companies and charitable and social institutions.

Mr. Eid bin Faleh Al-Shamry Independent – Bachelor of Science in Industrial Management	Board Committees' Membership	<ul style="list-style-type: none"> Member of the audit committee Member of the Social Responsibility Committee
	Current Roles	A Consultant to a number of companies in the Kingdom of Saudi Arabia
	Previous Roles	<ul style="list-style-type: none"> Chief Executive Officer - Ithraa Capital - Riyadh Deputy General Manager - Al Seif Investments - Riyadh Owner of Eid Al-Shamri Office for Administrative and Financial Consultations Chief Executive Officer - development company for investment, real estate and tourism development Chairman of Mergers and Acquisitions, Direct Investments - National Commercial Bank Senior Manager, Banking Services Department - Saudi American Bank Auditor - Price Waterhouse, Ohio, USA
	Experiences	He has long professional experience for more than thirty years, during which he held many leading positions in the Saudi and international banking sector, as well as in the business, investment sector, and in the field of administrative and financial consulting. He participates in the membership of boards of directors and audit committees in many joint stock companies listed in the Saudi market. He also holds the American Fellowship of Certified Public Accountants and the membership of the American Institute of Certified Public Accountants

Mr. Ghassan bin Yasser Shalabi Non-executive – Bachelor of Business Administration	Board Committees' Membership	<ul style="list-style-type: none"> Member of the Investment Committee. Remuneration and Nominations Committee.
	Current Roles	Chief Executive Officer of the INMA Arab Development for Investment, Dubai
	Previous Roles	<ul style="list-style-type: none"> CEO of Strata International Investment Group International Sales-Saudi Aramco-Oil Refinery Chief Executive Officer - SITEC Information Technology Company - Dubai CEO of Better Homes Company
	Experiences	<ul style="list-style-type: none"> International Sales, Saudi Aramco-Oil Refinery. Multiple experiences in the field of real estate and industrial investment and he participated in the membership of many local and international companies.

Mr. Firas bin Salah Al-Din Al-Qurashi Representative of the Public Investment Fund Non-executive – Master's degree in Finance and Banking	Board Committees' Membership	Member of the audit committee
	Current Roles	Director of Accounting and Financial Control at the Public Investment Fund
	Previous Roles	Director of Financial and Administrative Affairs, Water and Electricity Company
	Experiences	He held many administrative and financial positions and has multiple experiences in banking and financial banking

Eng. Muhammad bin Abdul Mohsen Al-Qurainis Non-executive – Bachelor's degree in Computer Engineering	Board Committees' Membership	<ul style="list-style-type: none"> Chairman of the audit committee. Member of the Investment Committee. Member of the Integration Committee until 11/03/2022.
	Current Roles	Executive Director of Investment in Assila Investment Company
	Previous Roles	<ul style="list-style-type: none"> Director of stocks and local fixed income, leading investment company Investment Portfolio Manager at Jadwa Investment Company
	Experiences	<ul style="list-style-type: none"> Long experience in managing investment portfolios for stocks and money markets. A Board Member of the Saudi Investment Bank

Eng. Muhannad bin Qusay Al-Azzawi Independent – Bachelor of Computer Engineering	Board Committees' Membership	<ul style="list-style-type: none"> Chairman of the audit committee. Member of the Investment Committee. Member of the Integration Committee until 11/03/2022 .
	Current Roles	Executive Director of Investment in Assila Investment Company
	Previous Roles	<ul style="list-style-type: none"> Director of stocks and local fixed income, leading investment company Investment Portfolio Manager at Jadwa Investment Company
	Experiences	<ul style="list-style-type: none"> Multiple experiences in the field of industrial construction and engineering projects. Participating in many joint committees between the private and government sectors in the field of developing seytms and the private sector. Member in many companies' boards of directors, as well as the boards of Saudi business chambers joint with some European countries, as well as participating in some boards of governmental public bodies

3.2 Names of Companies Inside/Outside Saudi Arabia in Which a Board Member of The Co. is a Member of Their Current and Previous Boards of Directors/One of Their Directors:

Current board members or managers in companies	Legal Entity	Inside / Outside Saudi Arabia	Former board members or managers in companies	Legal Entity	Inside / Outside Saudi Arabia
Dr. Walid bin Muhammad Al-Issa					
<ul style="list-style-type: none"> Board Member and member of the Audit Committee in SABIC Agro-Nutrients Company. Board Member and member of the Executive Committee of the Knowledge Economic City Company. 	Public Joint-Stock Company		<ul style="list-style-type: none"> Herfy Food Services Company. 	Public Joint-Stock Company	
<ul style="list-style-type: none"> Vice Chairman, Managing Director and Chairman of the Investment Committee in Assila Investment Company. 	Closed Joint-Stock Company	Inside Saudi Arabia			Inside Saudi Arabia
<ul style="list-style-type: none"> Chairman of the Board of Directors of Al Aqeeq Real Estate Development Company. Chairman of the Board of Directors of Assila Hospitality Co. Ltd. Chairman of the Board of Directors of Assila Operation and Maintenance Corporation. Chairman of the Board of Directors of Assila Tower Hotel Services Company, one person. Board Member of Makarem Al Hospitality Group Board Member of Al-Gharraa International Real Estate Development Company 	limited liability company		<ul style="list-style-type: none"> Arab Resort Areas Company (ARAC) Fiber Glass Oasis Company Saudi Heritage Hospitality Company (Nuzul) 	Closed Joint-Stock Company	
Eng. Anas bin Muhammad Salih Serafi					
<ul style="list-style-type: none"> Vice Chairman of the Board of Directors of Al Aqeeq Real Estate Development Company. Board Member of Wadi Taiba Company. Board Member of Jarham Company 	Closed Joint-Stock Company	Inside Saudi Arabia	<ul style="list-style-type: none"> Jabal Omar Development Company. Al Tayyar Travel Holding Group 	Public Joint-Stock Company	Inside Saudi Arabia
			<ul style="list-style-type: none"> Umm Al-Qura Development and Reconstruction Company. Wadi Makkah Company 	Closed Joint-Stock Company	
Mr. Basil bin Muhammad bin Jabr					
<ul style="list-style-type: none"> Member of the Board of Directors and Chairman of the Risk Committee - Riyadh Capital Company. 	Public Joint-Stock Company	Inside Saudi Arabia	<ul style="list-style-type: none"> Jarir Company 	Public Joint-Stock Company	Inside Saudi Arabia
<ul style="list-style-type: none"> Member of the Board of Directors and Chairman of the Risk Committee - Riyadh Capital Company. Board Member and member of the Executive Committee - Al Mojil Group. Board Member and member of the Executive Committee - Al-Tayseer Finance Company. Board Member and Chairman of the Executive Committee - Arch Financial Company. Board Member, Chairman of the Nomination and Remuneration Committee, and member of the Audit Committee - Food Basics Company. 	Closed Joint-Stock Company		<ul style="list-style-type: none"> Malaz Capital Company Anan Housing Company Saudi Aviation Academy Co Najran Holding Company Technical investment company 	Closed Joint-Stock Company	
Dr. Badr bin Hammoud Al-Badr					
<ul style="list-style-type: none"> Board Member of Mohammed bin Salman Foundation «Misk» and its affiliates Board member in the Secretary of Al-Yamamah University.. Hissah Al Qubaisi Educational Scholarship Program. 	Non-profit organization	Inside Saudi Arabia	<ul style="list-style-type: none"> Dur company. 	Public Joint-Stock Company	Inside Saudi Arabia
<ul style="list-style-type: none"> Board Member of Down Town Company. Chairman of the Board of Directors of the Saudi Hospitality Company (SHC) 	Closed Joint-Stock Company		<ul style="list-style-type: none"> Saudi Heritage Hospitality Company-NUZUL 	Closed Joint-Stock Company	
<ul style="list-style-type: none"> Board Member of Waseel Company. Board Member of Health Information Windows Company. 	limited liability company		<ul style="list-style-type: none"> Shada Hotels Company 	limited liability company	

Current board members or managers in companies	Legal Entity	Inside / Outside Saudi Arabia	Former board members or managers in companies	Legal Entity	Inside / Outside Saudi Arabia
Mr. Eid bin Faleh Al-Shamry					
<ul style="list-style-type: none"> Board Member of Al-Hassan Ghazi Ibrahim Shaker Company and a member of the Audit Committee. Board Member and Chairman of the Audit Committee of Fawaz Al Hokair Company Member of the Audit Committee of Almarai Company Board Member of Al-Drees Petroleum and Transport Services Company and a member of the Audit Committee and the Governance, Nominations and Remuneration Committee 	Public Joint-Stock Company	Inside Saudi Arabia	<ul style="list-style-type: none"> Saudi French Bank Amana Cooperative Insurance Company 	Public Joint-Stock Company	Inside Saudi Arabia
<ul style="list-style-type: none"> Board Member of Gulf Stevedoring Contracting Co. Ltd. 	limited liability company		<ul style="list-style-type: none"> Aletco Corporation INMAIA Real estate investment and development company 	Closed Joint-Stock Company	
Mr. Ghassan bin Yasser Shalabi					
<ul style="list-style-type: none"> Board Member of Arkan Integrated Solutions for Communications and Information Technology. 	Closed Joint-Stock Company	Outside Saudi Arabia			
<ul style="list-style-type: none"> Board Member of Al Aqeeq Real Estate Development Company. Chairman of the Board of Directors of Strata International Information Technology Company. Board Member of the Saudi International Rubber Oil Company. Chairman of the Board of Directors of Lean Development for Information Technology Co. 	limited liability company	Inside Saudi Arabia	<ul style="list-style-type: none"> Fiber Glass Oasis Company Arab Resort Areas Company (ARAC) 	Closed Joint-Stock Company	Inside Saudi Arabia
Mr. Firas bin Salah Al-Din Al-Qurashi					
Member of the Board of Directors of Saudi Hospitality Company (SHC).	Closed Shareholding Company	Inside Saudi Arabia	-	-	
Eng. Muhammad bin Abdul Mohsen Al-Qurainis					
<ul style="list-style-type: none"> Board Member of the Saudi Investment Bank Board Member of the Saudi Ceramic Company 	Closed Joint-Stock Company	Inside Saudi Arabia			
<ul style="list-style-type: none"> Homeland Vision Company 	limited liability company				
Eng. Muhannad bin Qusay Al-Azzawi					
<ul style="list-style-type: none"> Board Member and member of the Executive Committee of the General Authority of Civil Aviation Board Member of the Saudi Contractors Authority Board Member of the Golf Saudi Federation 	General Authority	Inside Saudi Arabia			
<ul style="list-style-type: none"> Board Member and member of the Remuneration and Nominations Committee - Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) 	Public Joint-Stock Company				
<ul style="list-style-type: none"> Chairman and member of the Remuneration and Nomination Committee - Merrill Lynch Saudi Arabia, MLKSA. Chairman of the Board and Chairman of the Executive Committee, Bin Laden International Holding Group (BIHG). Board Member and member of the Executive Committee and the Governance, Remuneration and Nominations Committee-Gulf International Bank Saudi Arabia GIB-KSA. Board Member and Chairman of the Investment Committee-Golf Saudi Company GS. 	Closed Joint-Stock Company				

3.3 Board meetings:

Name	2022 meetings						Total
	01 March	11 May	27 June	31 August	14 December	15 December	
Dr. Walid bin Muhammad Al-Issa	✓	✓	✓	✓	✓	✓	6
Eng. Anas bin Muhammad Salih Serafi	✓	✓	✓	✓	✓	✓	6
Mr. Basil bin Muhammad bin Jabr	✓	✓	✓	✓	✓	✓	6
Dr. Badr bin Hammoud Al-Badr	✓	✓	✓	✓	✓	✓	6
Mr. Eid bin Faleh Al-Shamry	✓	✓	✓	✓	✓	✓	6
Mr. Ghassan bin Yasser Shalabi	✓	✓	✓	✓	✓	✓	6
Mr. Firas bin Salah Al-Din Al-Qurashi	✓	✓	✓	✓	✓	✓	6
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	✓	✓	✓	✓	✓	✓	6
Eng. Muhannad bin Qusay Al-Azzawi	✓	✓	✓	✓	✓	✓	6

Actions taken by the Board of Directors regarding the proposals of the shareholders:

The company's Articles of Association guarantees shareholders the right to inquire, request information, and submit proposals, by participating in the deliberations and discussions in the meetings of the General Assembly, in addition to the communication channels available on the company's website.



The internal policy of the Board of Directors also stipulates that (The board members shall attend the meetings of the General Assembly) in order to have their inquiries answered and receive their proposals and remarks regarding the company and its performance without harming its interests

Reviewing the independence of members and conflict of interest during the fiscal year 2022 :

In line with the provisions of Taiba Governance Regulations, the Remuneration and Nomination Committee has evaluated the independence of the following independent members:

1. Mr. Basil Bin Muhammad bin Jabr
2. Dr. Badr Bin Hammoud Al-Badr
3. Mr. Eid Bin Faleh Al-Shamry
4. Eng. Muhammad Bin Abdul Mohsen Al-Qurenis
5. Eng. Muhannad Bin Qusay Al-Azzawi

The committee found that those members are independent and no conflict of their interests with Taiba interests.

3.4 Remunerations of Board Members, Senior Executives and Committee Members:

The following statement shows the bonuses, salaries and expenses paid to the Board members and senior executives, including the financial manager of Taiba Investments Company during 2022:

Frist: Rewards for board members & committees

Name	The Changing Bonuses						Grand total	Expense allowance
	Specific Amount*	Total commission rewards (except for the audit committee)*	Board & General Assembly Meetings' Attendance Allowance	Total Board Committee Meetings' Attendance Allowance	Statement of what Board members have received as employees or administrators, and what they have received in lieu of technical or administrative work or consultations			
Independent Members:								
Mr. Basil bin Muhammad bin Jabr	296,000	100,000	24,000	57,000	0	477,000	0	
Dr. Badr bin Hammoud Al-Badr	300,000	50,000	24,000	18,000	0	392,000	0	
Mr. Eid bin Faleh Al-Shamry	200,000	33,333	24,000	27,000	0	284,333	12,000	
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	300,000	50,000	24,000	39,000	0	413,000	0	
Eng. Muhannad bin Qusay Al-Azzawi	222,000	150,000	24,000	75,000	0	471,000	0	
Total of Independent Members	1,318,000	383,333	120,000	216,000	0	2,037,333	12,000	
Non-Executive Members:								
Dr. Walid bin Muhammad Al-Issa	300,000	100,000	24,000	54,000	0	478,000	8,000	
Eng. Anas bin Muhammad Salih Serafi	300,000	100,000	24,000	30,000	0	454,000	4,000	
Mr. Ghassan bin Yasser Shalabi	300,000	100,000	24,000	51,000	0	475,000	12,000	
Mr. Firas bin Salah Al-Din Al-Qurashi**	300,000	0	24,000	15,000	0	339,000	0	
Total of Non-Executive Members	1,200,000	300,000	96,000	150,000	0	1,746,000	24,000	
Mr. Abdullah bin Abdulaziz Al-Duailej's membership expired as of 03/13/2021 AD & This amount was disbursed during 2022	60,000	10,000	0	0	0	70,000	0	
Grand total	2,578,000	693,333	216,000	366,000	0	3,853,333	36,000	

(*) The amounts mentioned in this field represent the annual remuneration of the members of the Board of Directors, as well as the remuneration of the committees for the fiscal year 2021, which were disbursed during the year 2022, and there are no rewards or allowances paid to members of the Board other than what was mentioned above.
 (**) The amounts were disbursed to the Public Investment Fund represented by the aforementioned member.

Second: Remuneration of Senior Executives:

In compliance with the Article (78) of the Rules on the Offer of Securities and Continuing Obligations, Taiba has declared the remunerations and allowances of the Senior Executives as the below table shows total remunerations paid to top 5 Senior Executives including CEO and VP Finance:

Fixed remunerations		Variable remunerations		End of service benefits 2022	Grand Total
Salaries	Allowances	Total	Periodic remuneration		
5,863,144	1,742,838	7,605,982	1,116,700	399,072	9,121,754

Third : Details of committee members' remuneration

Committee	Name	Fixed bonuses (Except the allowance for attending meetings)	Allowance for attending meetings	Total
Audit committee members	Eng. Muhammad bin Abdul Mohsen Al-Qurainis	100,000	15,000	115,000
	Mr. Eid bin Faleh Al-Shamry	100,000	15,000	115,000
	Mr. Firas bin Salah Al-Din Al-Qurashi*	100,000	15,000	115,000
	Total	300,000	45,000	345,000
Members of the Remuneration and Nomination Committee	Mr. Basil bin Muhammad bin Jabr	50,000	33,000	83,000
	Mr. Ghassan bin Yasser Shalabi	50,000	33,000	83,000
	Eng. Muhannad bin Qusay Al-Azzawi	50,000	33,000	83,000
	Dr. Walid bin Muhammad Al-Issa	50,000	33,000	83,000
Total	200,000	132,000	332,000	
Investment Committee members	Mr. Ghassan bin Yasser Shalabi	50,000	18,000	68,000
	Dr. Badr bin Hammoud Al-Badr	50,000	18,000	68,000
	Eng. Muhammad bin Abdul Mohsen Al-Qurainis	50,000	18,000	68,000
	Eng. Muhannad bin Qusay Al-Azzawi	50,000	18,000	68,000
	Dr. Walid bin Muhammad Al-Issa**	-	6,000	6,000
Total	200,000	78,000	278,000	
Social responsibility committee members	Dr. Walid bin Muhammad Al-Issa	50,000	12,000	62,000
	Eng. Anas bin Muhammad Salih Serafi	50,000	12,000	62,000
	Mr. Eid bin Faleh Al-Shamry, a committee member	33,333	12,000	45,333
	Mr. Abdullah bin Abdulaziz Al-Duailej membership expired as of 03/13/2021	10,000	0	10,000
Total	143,333	36,000	179,333	
Projects Committee Members:	Eng. Muhannad bin Qusay Al-Azzawi	50,000	18,000	68,000
	Eng. Anas bin Muhammad Salih Serafi	50,000	18,000	68,000
	Mr. Basil bin Muhammad bin Jabr	50,000	18,000	68,000
	Dr. Walid bin Muhammad Al-Issa**	-	3,000	3,000
Total	150,000	57,000	207,000	
Members of Integration Commission with Dur Company:	Eng. Muhannad bin Qusay Al-Azzawi	-	6,000	6,000
	Mr. Basil bin Muhammad bin Jabr	-	6,000	6,000
	Eng. Muhammad bin Abdul Mohsen Al-Qurainis	-	6,000	6,000
Total	0	18,000	18,000	
Grand total		993,333	366,000	1,359,333

Note: The amounts of fixed bonuses mentioned above are for the fiscal year 2021 and were paid during 2022, except for the auditing committee, an amount of (100,000) riyals were paid to each member for the fiscal 2021 and were paid by the end of the same year.

(*) This amount was paid to the Public Investment Fund represented by the said member.

(**) His Excellency Dr. Walid bin Muhammad Al-Issa is not a member of the Investment Committee but he participated in the meetings of the Investment Committee no. 168 and 171 and the Projects Committee no. 11.



3.5 Board Committees:

The Board has (6) sub-committees which are formed by the Board members with expertise and specializations, as the following:

Investment Committee:

The following is a brief description of the the committee's duties:

1. To study, discuss and to follow up implementation of strategic and executive plans of capital and investment projects of Taiba Company.
2. To Study and evaluate existing investment projects and available investment opportunities and to make recommendations to the Board of Directors in this regard.

Meeting dates and attendance data of members

Name	Position	2022 meetings						Total Attendance
		30 Jan	23 Mar	14 Apr	12 Jun	31 Jul	13 Nov	
Mr. Ghassan bin Yasser Shalabi	Committee chairman	✓	✓	✓	✓	✓	✓	6
Dr. Badr bin Hammoud Al-Badr	Member	✓	✓	✓	✓	✓	✓	6
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	Member	✓	✓	✓	✓	✓	✓	6
Eng. Muhannad bin Qusay Al-Azzawi	Member	✓	✓	✓	✓	✓	✓	6

Projects Committee:

The following is a brief description of the committee's duties:

1. Auditing the budget approved by the Board of Directors for each project and approving the detailed budgets for the stages of implementation in a way achieving efficiency in implementation and does not negatively affect the financial indicators of the project and its feasibility.
2. Reviewing the general schedule of the stages of project development and implementation, any updates to this schedule, recommendations, and modifications that may occur during the project implementation stages.
3. Approving the list of companies, consulting offices and contractors who are invited to implement the design or executive works of the approved projects, and approving the financial and technical analysis mechanism and procedures to select consultants and contractors and the results of the technical and financial analysis of the offers submitted by the consulting companies and offices.
4. Reviewing and approving change orders submitted by companies, consulting offices or contractors.

Meeting dates and attendance data of members

Name	Position	2022 meetings						Total Attendance
		17 Jan	31 May	28 Jun	14 Agu	06 Oct	14 Dec	
Eng. Muhannad bin Qusay Al-Azzawi	Committee chairman	✓	✓	✓	✓	✓	✓	6
Eng. Anas bin Muhammad Salih Serafi	Member	✓	✓	✓	✓	✓	✓	6
Mr. Basil bin Muhammad bin Jabr	Member	✓	✓	✓	✓	✓	✓	6

Audit Committee:

The most important duties and responsibilities of the Audit Committee are the following:

1. **Financial Reports:** Studying the initial - quarterly - and annual financial statements, the company's financial statements and its notes related to its financial performance, and expressing its opinion and recommendation in this regard to ensure its fairness and transparency, including studying and discussing the accounting policies and estimates used in the company or any change thereto, and expressing an opinion and recommendation in this regard.
2. **Internal control and risk management:** Studying the company's internal and financial control systems and controls and risks, and preparing the necessary reports of the committee's opinion on their adequacy.
3. **Internal audit:** supervising the performance and activities of the internal audit, including studying and approving the annual internal audit plan, studying the internal audit reports, and following up the implementation of corrective measures.
4. **External Auditor:** Recommending to the Board of Directors nomination and dismissal of auditors, determining their fees and evaluating their performance after verifying their independence, auditing the scope of their work and the terms of contracting with them, as well as studying their reports and observations and expressing their views on all.

Meeting dates and attendance data of members

Name	Position	2022 meetings					Total Attendance
		25 Jan	27 Feb	15 May	17 Aug	06 Nov	
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	Committee chairman	✓	✓	✓	✓	✓	5
Mr. Eid bin Faleh Al-Shamry	Member	✓	✓	✓	✓	✓	5
Mr. Firas bin Salah Al-Din Al-Qurashi	Member	✓	✓	✓	✓	✓	5

The Social Responsibility Committee:

The following is a brief description of the committee's duties:

1. Preparing the principles and standards of social responsibility for Taiba Investments Company and adopting policies, programs and initiatives in the field of social work towards its shareholders and stakeholders in a way ensuring a balance between its goals and the goals that society aspires to achieve.
2. Preparing an executive plan and an annual estimate plan for social responsibility programs and initiatives, and having them approved by the Board of Directors to follow up implementation.

Meeting dates and attendance data of members

Name	Position	2022 meetings				Total Attendance
		08 Feb	12 Apr	30 Aug	16 Nov	
Dr. Walid bin Muhammad Al-Issa	Committee chairman	✓	✓	✓	✓	4
Eng. Anas bin Muhammad Salih Serafi	Member	✓	✓	✓	✓	4
Mr. Eid bin Faleh Al-Shamry	Member	✓	✓	✓	✓	4

Remuneration and Nomination Committee

The following is a brief description of the committee's duties:

1. Preparing a clear policy for the remuneration of Directors, Board committees and senior executives in accordance with the approved policy and reviewing it periodically.
2. Proposing policies and criteria for the membership of the Board of Directors and the executive management in accordance with the approved policies and powers.
3. Reviewing the structure of the Board of Directors, committees, and executive management, and making recommendations regarding changes that can be made.
4. Identifying strengths and weaknesses in the Board of Directors, and proposing appropriate solutions to address them.
5. Annual verification of independence of the independent members and the absence of any conflict of interests if the member is a board member in another company.
6. Studying and reviewing succession plans and job replacement in the event of a vacancy in the position of a senior executive, and making recommendations in this regard.

Meeting dates and attendance data of members

Name	Position	2022 meetings											Total Attendance
		16 Feb	10 May	30 May	15 Jun	04 Jul	14 Aug	31 Aug	29 Sep	02 Oct	08 Nov	22 Dec	
Mr. Basil bin Muhammad bin Jabr	Committee chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Mr. Ghassan bin Yasser Shalabi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Eng. Muhannad bin Qusay Al-Azzawi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Dr. Walid bin Muhammad Al-Issa	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11

The Integration Committee with Dur Company:

Board of Directors has issued a decision to terminate the work of the Merger Committee from 11/03/2022

Meeting dates and attendance data of members

Name	Position	Date of the meetings		Total Attendance
		16 Jan	10 Mar	
Eng. Muhannad bin Qusay Al-Azzawi	Committee chairman	✓	✓	2
Mr. Basil bin Muhammad bin Jabr	Member	✓	✓	2
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	Member	✓	✓	2



3.6 Disclosure of the applied and non-applied corporate governance regulations and the reasons

▶ Taiba Investments Company applies the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority in accordance with its Articles of Association, Governance Regulations and the laws issued by the relevant authorities. The following table shows Taiba's position regarding non- application of some provisions of the Corporate Governance Regulations:

Corporate Governance Regulations Article No.	Article requirements	Reasons for Non-Application
69 - 68 - 67	Forming a risk committee and defining its terms of reference and responsibilities	It has not been applied as it is a guiding article, and the Board does not consider it necessary to form a committee at the present time.
92	Forming the Corporate Governance Committee	It has not been applied as it is a guiding article. The department concerned with governance performs the duties of this committee, and presents the results of its performance and work to the Board on a regular basis.

▶ Shareholders' rights and stakeholders relations:

Taiba Investments Company takes special consideration for the rights of its shareholders and stakeholders, through the following:

- These rights are included in the company's Articles of Association and Taiba governance regulations.
- Investors are provided with the required information by publishing any events or information through the Taiba Investments Company website (www.taiba.com.sa) in addition to publishing on the Tadawul website.
- Following up the shareholders through their available means of communication or by posting reminder ads on the Tadawul website to urge them to receive their previously undisbursed profits.
- Making it available to search on the Taiba website for unpaid shareholder dues.

- Preparing an application dedicated to Taiba working on Android and Apple operating systems to ensure constant communication with investors.



3.7 A statement of the meeting dates of the general assemblies of shareholders during the fiscal year 2022

▶ During the fiscal year 2022, (2) meetings of Ordinary General Assembly of shareholders were held. The following is a statement showing the meeting date and the names of Board members attending these assembly meetings:

Name	Date of the meetings	
	Forty Ordinary Assembly	Forty-first ordinary assembly
	18 Apr	13 Sept
Dr. Walid bin Muhammad Al-Issa	✓	✓
Eng. Anas bin Muhammad Salih Serafi	✓	✓
Mr. Basil bin Muhammad bin Jabr	✓	✓
Dr. Badr bin Hammoud Al-Badr	✓	✓
Mr. Eid bin Faleh Al-Shamry	✓	✓
Mr. Ghassan bin Yasser Shalabi	✓	✓
Mr. Firas bin Salah Al-Din Al-Qurashi	✓	✓
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	✓	✓
Eng. Muhanad bin Qusay Al-Azzawi	✓	✓

▶ Number of the company's requests for the shareholders' register, dates and reasons for these requests:

Number of requests for shareholder's register during 2022 was (7) registers, according to the following:

Date of Register Request	Reason for the Request
18/04/2022	For business of the fortieth ordinary general assembly
15/05/2022	Company procedures
11/09/2022	Company procedures
13/09/2022	For business of the forty-first ordinary general assembly
16/10/2022	Company procedures
20/12/2022	Company procedures
31/12/2022	Reconciliation of the shareholding balances of the Board members and senior executives as at the end of 2022



3.8 Interests of Taiba Activities and Dealings With Related Parties:

Net transactions and balances with related parties:

A. Net transactions with related parties mainly are represented in purchases and sales of services and other transactions under mutually agreed terms.

Company Name	Balance on 31/12/2022	Net movement during the year	Balance on 31/12/2022
Taiba Residential and Commercial Center Owners Association	(5,019,472)	1,165,560	(3,853,912)
Al Madinah Airport Hotel Company	19,237,231	(19,237,231)	0

B. In accordance with the authorization granted to it by the fortieth Ordinary General Assembly dated 18/04/2022, with its authority mentioned in Paragraph (1) of Article (71) of the Companies Law, the Board of Directors has approved the business and contracts in which the member of the Board of Directors of Taiba Investment, Mr. Ghassan bin Yasser Shalabi, has an interest, according to what follows (without any preferential conditions):

1. Agreement to develop, update and upgrade the Microsoft Dynamics system for the cloud environment, with Strata International Information Technology Company (AlfaPeople):

A total amount of (SAR 1,230,189).

Description: The professional services fee, exclusive of the value of systems licenses (in favor of Microsoft Corporation and Lane Beach Company) and exclusive of the value-added tax.

Contract period: as of 10/10/2019, and the professional services contract work ended in October 2022.

Financial transactions during 2022: The value of transactions during 2022 was a total amount of (SAR 693,921), out of which an amount of (SAR 454,829) is the last part of the professional services fees in the Microsoft Dynamics system upgrade and development agreement, and an amount (SAR 239,092) is for licenses and annual support for the human resources system. As such, (100%) of the value of professional services was disbursed and an amount of (SAR 482,880) was paid in 2022, which is the value of licenses paid to Microsoft through Strata International.

2. Annual maintenance agreement for Microsoft Dynamics 365 system with Strata International Information Technology Company (AlfaPeople):

An amount of (SAR 86,000) annually.

An amount of (SAR 482,880) annually is the value of licenses paid to Microsoft through Strata International, excluding VAT.

Contract period: As of 24/01/2023, for a period of (3) years, to be annually renewed.

3. Maintenance and technical support agreement for human resources system, (Lane Beach), with Lane Information Technology Development Company:

An amount of (SAR 81,592.47) for the first year and an amount of (SAR 115,250) for the following renewed years, excluding VAT.

Contract period: As of 27/10/2022, for a period of one renewable year.

C. There are cases of engagement in a business competing with the company's activity (hotels and real estate), for which a license has been obtained from the General Assembly for each of the following:

- His Excellency Dr. Waleed bin Mohammed Al Issa, as the Managing Director of Assila Investments Company.
- His Excellency Eng. Anas bin Mohammed Saleh Serafi, as the Chief Executive Officer of Al Salehat Holding Company.

D. During the financial year ending on 31/12/2022, there is no interest in the class of shares with the right to vote, for any persons and there are no option rights and subscription rights, for the members of the Board of Directors and senior executives or members of their families, in the company's shares, and there is an interest for some members of the Board of Directors And senior executives in the company's shares, and the following statements show the shares of the members of the Board of Directors and senior executives and their family members, and the main owners of Taiba Investment.

List of Main Owners:

A statement of names, number and percentage of ownership of shareholders who own 5% or more and its change during the fiscal year 2022

Name (All Saudis)	Beginning of the year		End of the year		Net change	Change rate
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Assila Investment Company	26,845,269	-	26,845,269	-	-	-
Sheikh/ Muhammad Saleh bin Hamzah Serafi	12,837,271	-	12,837,271	-	-	-
Sheikh/ Muhammad bin Ibrahim Al-Issa	11,897,114	-	11,897,114	-	-	-
Al-Salehat Trading & Contracting Holdingc co.	10,500,000	-	10,500,000	-	-	-

- The number of shareholders of Taiba Investments Company on 31/12/2022 are (37,469) shareholders, of whom (37,451) are shareholders, representing 99.95% of Saudis, and (18) shareholders, representing 0.05% of non-Saudis.
- Taiba Investments Company did not receive any notifications from its shareholders regarding any change in their ownership percentage during the fiscal year 2022, except for the notifications of the Board and the Executive Management members, according to the following:

Statement of number of shares owned by the Board members, their families and their change during the fiscal year 2022

Name (All Saudis)	Beginning of the year		End of the year		Net change	Change rate
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Dr. Walid bin Muhammad Al-Issa (Chairman)	2,480	-	2,480	-	-	-
Eng. Anas bin Muhammad Salih Serafi (Deputy Chairman)	1,000	-	1,000	-	-	-
Mr. Basil bin Muhammad bin Jabr	100	-	100	-	-	-
Dr. Badr bin Hammoud Al-Badr	100	-	100	-	-	-
Mr. Eid bin Faleh Al-Shamry	-	-	-	-	-	-
Mr. Ghassan bin Yasser Shalabi	42,818	-	42,818	-	-	-
Mr. Firas bin Salah Al-Din Al-Qurashi A representative of the Public Investment Fund (The shares shown are the shares of the entity he represents only)	5,484,374	-	5,484,374	-	-	-
Eng. Muhammad bin Abdul Mohsen Al-Qurainis	-	-	-	-	-	-
Eng. Muhannad bin Qusay Al-Azzawi	1,000	-	1,000	-	-	-

Senior Executives own shares in Taiba:

Name All Saudis	Beginning of the year		End of the year		Net change	Change rate
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Mr. Suhail bin Muhammad Madani Al-Ali * Until the date of resignation on 15/11/2022 .	2,602	-	2,602	-	-	-

Disclaimer: The (Saudi) senior executives whose names were not mentioned in the above statement do not have any contributions to Taibah.

Board members or senior executives owning shares in subsidiaries: Neither the Board members nor senior executives own any shares in the subsidiaries.

3.9 Declarations:

Declarations according to the requirements of the corporate governance system issued by the Capital Market Authority:

▶ The Board of Directors declares the following:

1. The account records were properly prepared in Taiba and its subsidiaries.
2. The internal control system was prepared on a sound basis and implemented effectively in Taiba Investments Company and its subsidiaries.
3. Taiba is undoubtedly able to continue its activities.

▶ Annual evaluation of the board of directors:

In the light of evaluating the effectiveness of Taiba Board of Directors and its approved committees through the designated questionnaire, including items related to the duties, competencies and responsibilities of the Board and its committees, the evaluation was carried out accordingly and the results were submitted to the Board of Directors. These results showed that the Board efficiently operates.

▶ Results of the annual audit of the effectiveness of the company's internal control procedures:

The Board of Directors of Taiba Investments Company seeks continuously and at different levels to develop the necessary policies, mechanisms, controls and laws and monitor their effectiveness, good implementation and improvement in order to ensure the safety, transparency and accuracy of reporting systems, financial control, risk management, the efficiency and effectiveness of internal operational and administrative control in order to protect its assets, to reduce the impact of risks on its business, and to achieve the company's strategic objectives. The most prominent examples of which are the organizational chart, list of powers, the approved policies and procedures, the automated system for managing resources, accounting and reports. Accordingly, Taiba Investments Company has developed the appropriate organizational structure across different levels to ensure the effectiveness and adequacy of internal control systems and controls and risks by the following:

- Organize the Audit Committee and its approval by the General Assembly
- The regulations of the Audit Committee are approved by the General Assembly and its powers are organized in accordance with its duties.
- The Audit Committee supervises the internal audits in the company.
- The internal audit performs periodic checks to assess the adequacy and effectiveness of the internal control system and reporting thereon to the Executive Management and the Audit Committee and following up implementation of corrective and preventive measures.
- A competent and independent external auditor is appointed in addition to following up his work.
- The risk handling procedures are monitored.
- Confidential communication channels are created for company employees or related persons to make their comments.

Through the various levels of assurance referred to previously and based on the work of the Audit Committee and its continuous effort to carry out its duties and the reports, it did not find that any critical observations or deficiencies in the systems and controls of internal, financial controls and risks in the company, were not treated or corrective or preventive measures were taken in their regard. The Audit Committee has confirmed the adequacy and effectiveness of the company's internal, financial and risk control systems and controls for the fiscal year 2022 and does not observe any critical deficiencies need to be disclosed.

▶ Applying international accounting standards:

The consolidated financial statements of Taiba and its subsidiaries for 2022 compared to financial statements of 2020 were prepared and published in accordance with international accounting standards, which began to be applied as of 01/01/2017.



4

Financial statements & Business results

4.1 Financial Indicators

4.2 Dividend Policy

4.3 Indicators of The Profit

4.4 Risks Faced by The Company's business

4.5 Financial Statements

4.1 Financial Indicators:

Thirty-three years of sequential successes, during which Taiba achieved the following:

1 Dividends + Reserves

Dividends since establishment of Taiba until 31/12/2022, plus reserves, comprehensive income and retained profits amounted (6,730) million riyals, by percentage:



2 Total Assets

Total assets as of 31/12/2022 amounted (4,347) million riyals, by percentage:



3 Shareholders Equity

Shareholders' equity as of 31/12/2022 amounted (3,631) million riyals, by percentage:



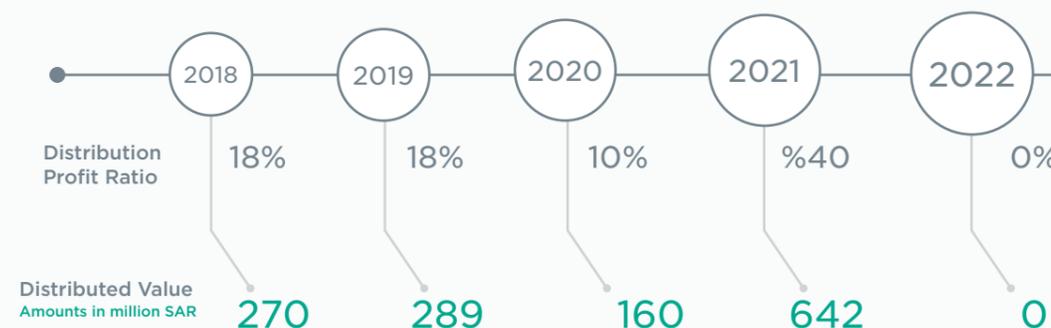
4 Dividends

The total dividends compared to the capital amounted (4,739) million riyals, by percentage:



5 Dividends of the last five years

Dividends of the last five years amounted (1,361) million riyals, by percentage:

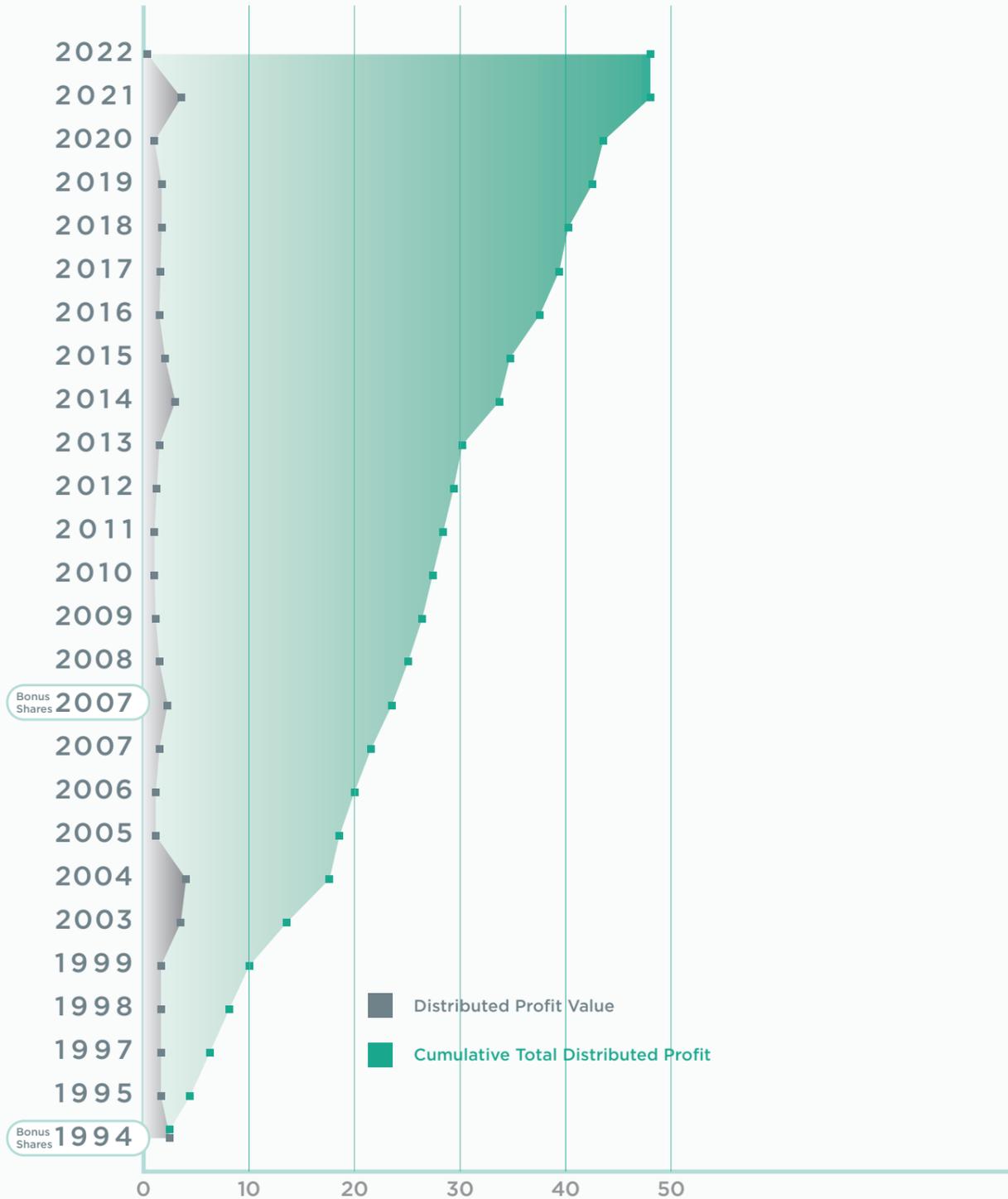


+85% From Capital Company



6 The dividend per share

A diagram showing the annual dividend per share and the total cumulative dividend per share, which amounted (47.64) riyals since establishment of Taiba until 31/12/2022



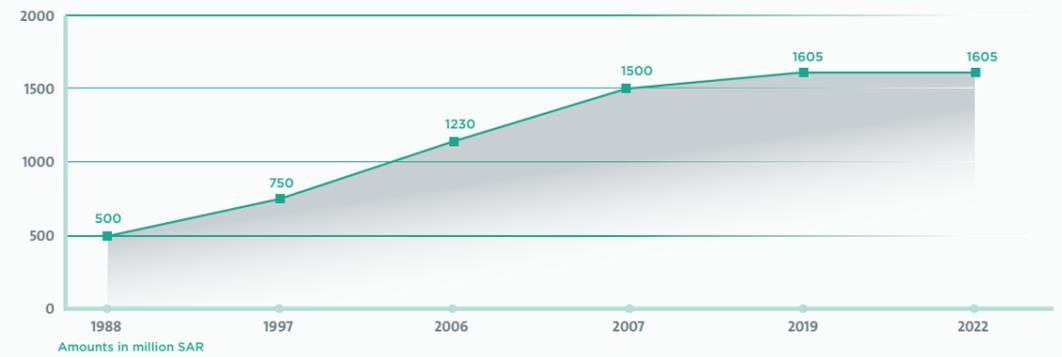
7 Statutory Reserve

In 31/12/2022, Statutory reserve amounted (1,000) million riyals, by percentage:



8 Capital Development

Development of Tiba Capital since its establishment until 31/12/2022



9 Net Profit

The net profit since establishment of Taiba until 31/12/2022 amounted (5,026) million riyals, by percentage:



4.2 Dividend Policy

In accordance with Article (44) of the current Articles of Association of Taiba Investments Company and based on the decision of the General Assembly to distribute profits to shareholders, the annual net profits of the company are distributed after deducting all general expenses and other costs, including zakat imposed by Sharia, as the following:

- (10%) of the net profits shall be appropriated to form the company's statutory reserve. The Ordinary General Assembly may decide to stop this appropriation when the aforementioned reserve reaches (30%) of the paid-up capital.
- The Ordinary General Assembly, based on the proposal of the Board of Directors, may appropriate a certain percent of the net profits to form a consensual reserve to be allocated for a specific purpose or purposes.
- The Ordinary General Assembly may decide to form other reserves, to the extent that serves the interest of the company or ensures distributing fixed profits - as much as possible - to the shareholders. The aforementioned assembly may also deduct from the net profits amounts to establish social institutions for the company's employees or to assist the existing ones.
- After that, the remaining will be distributed to the shareholders as a first payment equivalent to (5%) of the company's paid-up capital.
- Taking into account the provisions stipulated in Article (twenty-one) of Taiba Articles of Association, Article (seventy-sixth) of the Companies Law and the controls set by the competent authority in this regard, after the foregoing, (10%) of the remaining profits shall be allocated to reward the Board members.
- The assembly decides, upon the recommendation of the Board of Directors, to distribute a part of the remaining profits to the shareholders as an additional share of the profits.
- Taiba may distribute its interim profits in light of the financial results on an annual, semi-annual or quarterly basis after fulfilling the regulatory requirements issued by the Capital Market Authority

Applied decisions and proposed recommendations for the fiscal year 2022 regarding dividends:

Percent of profits distributed during the fiscal year 2022		Total
Dividend periods		
Percent	None	None
Profits amount	None	None

Information related to the company's loans and its subsidiaries for the fiscal year 2022 :

Name of the donor	Loan Term	Principal amount	Withdrawals during the year	Amounts paid in repayment of the loan during the year	Total indebtedness
Bank Albilad	14 years	1,357	100	-	100
Bank Albilad	10 years	189,2	189,2	-	189,2
Riyadh Bank	6 months	70	70	-	70

The amounts counted by millions



4.3 A brief statement of the company's business results, assets and liabilities during the last five years

Indicators of the profit or loss statement

(Thousand riyals)

Items	2022	2021	2020	2019	2018
Activity revenues	330,284	129,092	220,953	387,528	406,279
Activity costs	(141,300)	(85,372)	(97,717)	(145,679)	(148,893)
The total profit of the business	188,983	43,720	123,236	241,849	257,386
Administration and marketing expenses	(55,757)	(59,208)	(45,776)	(63,581)	(54,519)
Other Revenue (Expenses) - Net	24,553	(73,625)	12,492	13,444	(94,716)
Profits / (losses) of discontinued operations (*)	(21,818)	(14,502)	7,728	264	(3,061)
zakat	(6,252)	(20,234)	(2,226)	(20,680)	(29,123)
Net (loss) income	129,710	(123,848)	95,454	171,296	75,967

On June 21, 2022, immediately prior to the classification of Taiba Agricultural Development Company as non-continuing operations, management estimated the recoverable values of certain items in the property and equipment and did not result in any decrease in book values. Once the company was classified as non-continuing operations, management recorded a decrease in the value of assets held for sale by SAR 16 million, by reducing the book values of these assets to fair value less selling costs. The decrease in the value of assets held for the purpose of sale within non-continuing operations was recognized.

Indicators of the Financial Position

(Thousand riyals)

Items	2022	2021	2020	2019	2018
Current assets	478,262	859,814	399,774	736,600	988,474
Current liabilities	400,185	283,744	213,154	349,065	316,056
Working capital	78,077	576,070	186,620	387,535	672,418
Other assets	1,277,214	691,941	1,559,325	1,519,792	1,419,918
Property, machinery & equipment	2,532,907	2,386,710	1,967,616	1,827,706	1,764,433
Net assets	3,888,198	3,654,721	3,713,561	3,735,033	3,856,769
Other liabilities	313,721	48,885	57,791	57,642	278,440
Shareholders' equity	3,631,099	3,605,836	3,655,771	3,677,391	3,578,329
Net Liabilities and Equity	3,888,198	3,654,721	3,713,561	3,735,033	3,856,769
Paid up capital	1,604,575	1,604,575	1,604,575	1,604,575	1,500,000
Statutory reserve and others	1,208,791	1,208,791	1,208,791	1,210,317	1,106,468

4.4 A statement of the significant differences in the operating results of the fiscal year 2022 compared to the fiscal year 2021

(Thousand riyals)

Items	2022	2021	Variance + or (-)	Change %	Reasons for deviations
Revenues	330,284	129,092	201,192	155.85 %	Increasing hotel operating revenues and increasing the occupancy rates of commercial centers as a result of the recovery from the effects of the Covid-19 pandemic, especially with the increase in the number of pilgrims during the Hajj season in 1443 H
Revenue costs	(141,300)	(85,372)	55,982	65.51 %	Costs increased due to increased revenues
Gross profit	188,983	43,720	145,263	332.26 %	This was due to the increase in revenues as described above.
Administrative, general, sale and marketing expenses	(55,757)	(59,208)	(3,451)	(5.83 %)	Due to low consulting expenses
Refund (allocated) decrease in the value of trade receivables	8,827	(61,277)	70,104	114.41 %	Due to improved collection from customers
Other operating expenses	(8,859)	(21,322)	(12,463)	(58.45 %)	Decreased due to lower customer compensation
Total operating (losses) profits	133,194	(98,087)	231,281	235.79 %	This is due to the increase in revenues as well as the decrease in administrative and other operating expenses as described above.
Dividends from financial assets at the fair value through other comprehensive income	10,483	17,468	(6,985)	(39.99 %)	The main reason is the decrease in the amount of profits received from dividends distributed by SABIC Agri-Nutrients Company during 2022.
Taiba share from the results of associate companies	(578)	(3,078)	2,500	(81 %)	The reason for the change is due to the decrease in losses of some of the investee companies during 2022.
Net (expenses) / other revenues	16,083	(5,416)	21,499	396.95 %	Recording a compensation profit from the expropriation of one of the lands to one of the subsidiaries in addition to the profit realized from the sale of the investment in one of the companies and the profits resulting from Murabaha transactions during the year
Zakat expense	(6,252)	(20,234)	(13,982)	(69.1 %)	Zakat expense decreased due to decrease in Zakat base
Income of discontinued operations after zakat	(21,818)	(14,502)	7,316	50.45 %	Recording the impairment of assets in a subsidiary
Net (loss)/income	129,710	(123,848)	253,558	204.73 %	As described above.
Working capital	78,077	576,070	(497,993)	(86.45 %)	The reason is due to the use of cash in the purchase of one of the investments
Shareholders' equity	3,631,099	3,605,836	25,263	0.70 %	Represents the net movement in shareholders' equity, which is represented by the profit of the current year and the revaluation losses of shares at fair value.

4.5 Statutory Dues and Payments

Zakat Position of Taiba and its Subsidiaries

▶ Taiba Investments Company & Al Aqeeq Real Estate Development Company

A unified Zakat declaration was submitted and paid for both of Taiba and Al Aqeeq companies for the year ending on December 31, 2021, and the company obtained a Zakat certificate valid until April 30, 2023.

During the year 2020, the company received Zakat assessments from the Authority for the years from 2015 to 2018, claiming Zakat differences in a total amount of 8,1 million Saudi riyals for those years. After studying the assessment by the company and its zakat advisor, an objection was submitted to the Authority within the statutory period for that. Accordingly, the Authority issued adjusted Zakat assessments for the aforementioned years in the amount of 7,9 million Saudi riyals. Accordingly, an objection was submitted to Tax Committee for Resolution of Tax Violations and Disputes. The objection was partially accepted and the settlement was completed with the Authority, and accordingly the Zakat status for the above years was cleared.

During the year 2021, the company received a Zakat assessment from the Authority for Taiba Company for the year ending on December 31, 2020, in which it claimed Zakat differences in the amount of a total of 8,997,264 Saudi riyals. The company also submitted an objection to the Authority, which was partially accepted, and accordingly, the Authority issued an adjusted assessment of the Zakat differences of 742,682 Saudi riyals, and accordingly, the Zakat status for the year 2020 was cleared.

During the year 2020, Al Theraa Al Makeen Industrial Company (a branch of Taiba Investments Company) received estimated Zakat assessments from the Zakat, Tax, and Customs Authority for the two years ending on December 31, 2017 and 2018, which show additional Zakat in the amount of 40 million Saudi riyals for the year 2017 and another 40 million Saudi riyals for the year 2018. The company also objected to both assessments before the Tax Committee for Resolution of Tax Violations and Disputes. A hearing was held on March 28, 2022, and accordingly, the said Committee accepted the objection. Accordingly, an adjusted assessment was issued by the Authority at a value of (zero), and the Zakat status for the two years above was cleared.

During the year 2022, Al Theraa Al Makeen Industrial Company (a branch of Taiba Investments Company) received an estimated Zakat assessment from the Zakat, Tax, and Customs Authority for the year 2020, which shows an additional Zakat amount of 40 million Saudi riyals. The company also objected to the assessment before the Authority, and the objection was accepted and the Zakat status was cleared.

▶ Arab Resort Areas Company (ARAC)

submitted the Zakat declaration for the year ending on December 31, 2021, paid thereof, and obtained a Zakat certificate valid until April 30, 2023.

▶ Taiba Agricultural Development Company - TADC

Taiba Agricultural Development Company (TADC) submitted the Zakat declaration for the year ending on December 31, 2021, and the Zakat, Tax, and Customs Authority issued the final assessments for the company until 2018.

▶ TAWD Property Management and Marketing Company

Zakat, Tax and Customs Authority issued the final assessments for the company until 2017. The company also submitted the Zakat declaration for the year ending on December 31, 2021, paid thereof, and obtained a Zakat certificate valid until April 30, 2023.

Otherwise, Taiba Company does not have any significant and influential amounts or fees payable to any regulatory or supervisory authority, and the following table shows these amounts in riyals compared to the previous year as follows:

Items	2022	2021
Zakat allocation of Taibah and its subsidiaries (part of it is objected)	11,163,964	29,468,704
Dues of the General Organization for Social Insurances	213,441	196,676
Other dues	11,423,594	8,971,979

▶ Allocations formed during the fiscal year 2022 for the benefit of the company's employees:

(Thousand riyals)

Item	Balance as of 01/01/2022	Net movement during 2022	Balance as of 31/12/2022
Termination Benefits	13,514	(581)	12,933
Employee loans	669	(106)	563
Total	14,183	(687)	13,497



4.7 Risks faced by Taiba business

◀ Risks

1. Taiba Investments Company faces the risks of decreasing the market value of its investments in equity instruments in some companies listed on the Saudi Stock Exchange (Tadawul) as a result of changes in the prices of shares traded in the Saudi Stock Exchange, knowing that these investments are long-term and short-term investments that are evaluated and addressed in terms of accounting according to the accounting standards used.
2. Religious tourism in the Saudi Arabia increases significantly in some seasons, such as the month of Ramadan and the Hajj season, which are considered important seasons for the activities of the Taiba Investments Company. Religious tourism may be negatively affected in these seasons by a number of factors, most notably are economic conditions that may affect the purchasing power of visitors, pilgrims, and Umrah performers, which may have direct and adverse effect on the results of business of Taiba Investments Company and its subsidiaries.
3. Taiba Investments Company and its subsidiaries face the risks of increasing the expected financing expenses for Taiba future projects as a result of the increase in Murabaha prices. In this regard, Taiba Company has signed hedging contracts to swap the change in Murabaha prices, Taiba has signed hedging contracts to swap the change in Murabaha rates.
4. The revenues from leasing malls (commercial centers) may be affected by economic conditions in general. Any decline or slowdown in the growth of the activities of the tenants who work in the various retail sectors will affect their performance and their ability to continue renting the premises rented to them and their ability to fulfill their rental obligations towards Taiba, which may affect Taiba's revenues and its financial results.

4.8 Financial Statements

▶ The consolidated financial statements and their attached notes, represented in the statement of financial position and the consolidated statement of profit or loss for the fiscal year ending on 31/12/2022, show the following:

1. The total non-current assets after deduction of depreciation and amortization until that date amounted to SR 3,810,121,840.
2. The net profit for the year 2022 return on the company's shareholders as shown in the consolidated income statement amounted to SR 139,570,012, The following statement shows the movement of retained profits during the year:

Notes	SR
Balance of retained earnings on 01/01/2022	557,800,915
Net profit of the financial year 2022	139,570,012
Exclusion value of an investment in equity instruments measured at the fair value through Other Comprehensive Income (OCI)	92,803,888
Balance of retained earnings on 31/12/2022	790,174,815



طيبة للاستثمار
TAIBA INVESTMENTS

طيبة للاستثمار شركة مساهمة سعودية
Taiba Investments Saudi Join Stock Company
C.R 4650012403
Paid up capital 1.604.574.830 SAR

41472 Madina, Saudi Arabia,
Tel: +966 14 83 77777 Fax: +966 14 83 67777
website: www.Taiba.com.sa
Email: info@taiba.com.sa

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